

THE BIG 5 FALSE BAY MUNICIPALITY

**Integrated Development Plan (IDP) Review
2011/12 FY [Draft]**



Vision:
“To be a competitive municipality that provides sustainable services to the community and attract investments”

163 Zebra Street, Hluhluwe, 3960
Tel: 035 562 0040 Fax: 035 562 0988

Contents

INTRODUCTORY PHASE.....	4
INTRODUCTION AND OVERVIEW.....	4
Municipal Boundary Shifts	6
CHAPTER 1: IDP REVIEW PROCESS.....	7
LEGISLATIVE BACKGROUND	7
1.1. CONTEXT OF 2011/2012 IDP REVIEW.....	8
1.1.1. The Existing/Outgoing Council	8
1.1.2. The Newly Elected Council.....	8
1.2. BASIS FOR 2011/2012 IDP REVIEW PROCESS.....	8
1.2.1. The National Spatial Development Framework (NSDP)	9
1.2.2. The Provincial Growth and Development Strategy (PGDS).....	10
1.2.3. The Millennium Development Goals (MDG).....	10
1.2.4. National Outcome Delivery Agreements.....	11
1.2.5. Comments from the MEC on 2010/2011 integrated development plan	14
1.3. INSTITUTIONAL ARRANGEMENTS TO DRIVE THE IDP PROCESS.....	16
1.4. INTER-GOVERNMENTAL RELATIONS.....	20
1.5. PUBLIC PARTICIPATION	21
ANALYSIS PHASE.....	22
CHAPTER 2: SITUATION ANALYSIS	22
2.1. ORGANIZATIONAL STRUCTURE AND INSTITUTIONAL ANALYSIS.....	22
2.1.1. Powers and functions of The Big 5 False Bay Local Municipality	22
2.2. POLITICAL STRUCTURE.....	23
2.3. MANAGEMENT STRUCTURE	24
2.4. STATUS QUO ANALYSIS	25
2.4.1. DEMOGRAPHICS	25
2.4.2. POPULATION BY RACE	27
2.4.3. POPULATION DENSITY	28
2.4.4. POPULATION BY AGE	29
2.4.5. POPULATION BY GENDER	30
2.4.6. POPULATION BY HOUSEHOLDS.....	30
2.5. SOCIO-ECONOMIC ANALYSIS.....	31
2.5.1. SOCIAL ANALYSIS	31
1. LEVELS OF EDUCATION	31
2.5.2. ECONOMIC ANALYSIS	31
2. HOUSEHOLD INCOME	31
3. EMPLOYMENT STATUS	32
2.6. LEVEL OF INFRASTRUCTURE IN THE MUNICIPALITY	36
2.6.1. WATER SUPPLY	36
2.6.2. WATER SCHEMES IN BIG 5 FALSE BAY MUNICIPALITY	36

Hluhluwe Water Supply Scheme	36
Hluhluwe – Masibambane Scheme	37
2.6.3. SANITATION.....	37
2.6.4. SANITATION SCHEMES IN BIG 5 FALSE BAY MUNICIPALITY	38
Hluhluwe Scheme.....	38
2.6.5. ELECTRICITY.....	39
2.6.7. ROAD AND TRANSPORT INFRASTRUCTURE ANALYSIS	39
2.7. MIGRATION ANALYSIS.....	39
2.8. THE BIG 5 FALSE BAY SWOT ANALYSIS	40
2.9. COMMUNITY NEEDS IDENTIFICATION.....	41
STRATEGIC PHASE	43
3. DEVELOPMENT STRATEGIES	43
PROJECTS PHASE	46
3. PROJECTS IDENTIFICATION.....	46
INTEGRATION PHASE	47
4. SECTOR PLANS	47
4.1. FINANCIAL PLAN	47
4.2. THE SPATIAL DEVELOPMENT FRAMEWORK (SDF)	55
4.3. HOUSING SECTOR PLAN.....	60
IMPLEMENTATION PHASE	66
5. ORGANIZTIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)	66
KPA 1: GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD SYSTEMS.....	68
KPA 2: IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	69
KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT.....	70
KPA 4: TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	71
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT.....	72
KPA 6: SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	73
KPA7. SOCIAL DEVELOPMENT.....	74
6. SDBIP (SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN)	75

INTRODUCTORY PHASE

INTRODUCTION AND OVERVIEW

Big 5 False Bay is a small local municipality situated within the Umkhanyakude District in northern KwaZulu-Natal. Easily accessible off the N2 national route, it lies adjacent to the False Bay (western) side of the Isimangaliso Wetland Park (previously known as the Greater St Lucia Wetlands Park) and is the Starting point of the MR4 ((LSDI Corridor) which links Hluhluwe to Mozambique. The town of Hluhluwe, which contains the major shopping and light servicing facilities, as well as the municipal offices, services it. A large proportion of the land is used for agriculture and game lodge activities and is sparsely settled. The north-eastern parts of the municipality are occupied by fairly densely settled rural traditional communities (Makhasa, Mnqobokazi and Nibela).

The Municipality is graded as a Grade one municipality and since its inception in 2000, has financially been burdened by “inherited” debt from the Umsekeli Municipal Support Services (the erstwhile Development & Services Board), which was previously responsible for the Management of Hluhluwe Town and its surrounding Commercial Farm Areas. A massive reduction in the Municipality’s Equitable Share (more than 35%) has caused the funding available for capacity building and capital projects to be drastically reduced. The municipality’s attempts to become less Grant-dependent have therefore also not been successful. Although various attempts have been made to enquire as to the reduction in the Equitable Share, no response has been forthcoming from National Treasury.

The Big 5 False Bay Municipality forms part of the Umkhanyakude District, which has been identified as an ISRDP Node by the Presidency. This programme has been put in place, to, inter-alia, assist the Municipality with human, technical and financial capacity to ensure development and alleviate poverty.

The municipality is one of five (5) local municipalities falling within Umkhanyakude District Municipality in the far North of KwaZulu-Natal Province. The municipality covers approximately 1191 km² area with only one semi-urban area being Hluhluwe. The municipality is demarcated into 4 wards and has 7 councilors. The municipality comprises of three (3) traditional authorities. Hluhluwe town is the main town and main centre of employment opportunities, shopping and recreational facilities.

At glance, the five (5) local municipalities within Umkhanyakude District Municipality are as follows:

- Umhlabuyalingana Municipality - KZ 271 3693 km²
- Jozini Municipality - KZ 272 3082 km²
- The Big 5 False Bay Municipality - KZ 273 1191 km²
- Hlabisa Municipality - KZ 274 1417 km²
- Mtubatuba Municipality - KZ 275 705 km²

Map 1: The Big 5 False Bay Municipality within Umkhanyakude Jurisdiction Area



Municipal Boundary Shifts

The Municipal Demarcation Board (MDB) has completed the process to prepare for the wards delimitation, which would be effective after the expiry of the term of office for the current municipal Councils (2 March 2011). The upcoming local government elections in 2011 would be based on new wards demarcation. As such, major shift in municipal boundaries is inevitable for Umkhanyakude District Family of municipalities, wherein the District Management Area, currently under the jurisdiction of the District, will cease to exist, and will be geographically split among three (3), i.e. The Big 5 False Bay; Mtubatuba and Umhlabuyalingana municipalities. In all, areas to be integrated in KZ 273 include the portion of the DMA; portion of kwa-Jobe; Portion of Mbazwana (South).

The new municipal ward demarcation will not have any effect on the number of wards and councilor in the municipality. The number of wards and councilors will remain the same. In terms of the new municipal ward demarcation, Umkhanyakude District family of municipalities would be as follows:

MUNICIPALITY	No. of COUNCILLORS (2011)	No. of WARDS (2011)
KZ271	34	17
KZ272	40	20
KZ273	07	04
KZ274	16	08
KZ275	38	19
DC 27	29	00

CHAPTER 1: IDP REVIEW PROCESS

LEGISLATIVE BACKGROUND

Local municipalities are required by the Municipal Systems Act to engage in integrated developing planning on an ongoing basis. Plans are completed every 5 years and reviewed annually. The IDP process is intended to result in a number of key outcomes, notably:

- Poverty Reduction – Local municipal jurisdictions have been extended from middle income established towns to include the rural (and mostly under-serviced) poor. The effective servicing of and stimulating of the economies within these areas is a major challenge to municipalities across South Africa and will continue to be so for a number of years.
- Sustainable Development – through informed, strategic land use planning, the development of various environments can be effectively managed. Environments requiring special attention through the IDP include
 - The built environment
 - Natural resources
 - Sensitive and important natural ecosystems such as rivers, forests, estuaries and beaches
 - Agricultural Land
 - Housing
- Service Delivery – the servicing of the poor is tackled through detailed analysis of service delivery backlogs and inter-departmental and municipal cooperation, project identification and the allocation of funding. The integrated approach and alignment of sector plans highlights issues and brings a greater degree of efficiency to service delivery.

This document represents the last review of the 2006-2011 Integrated Development Plan (IDP) of The Big 5 False Bay Municipality and is drafted in compliance with section 34 of the Municipal Systems Act (Act 32 of 2000). Section 34 of the said Act stipulates that:

A Municipal Council:

(a) Must review its Integrated Development Plan-

i) Annually in accordance with an assessment of its performance measurements in terms of section 4; and

ii) To the extent that changing circumstances so demand; and

(b) May amend its Integrated Development plan in accordance with a prescribed process.

1.1. CONTEXT OF 2011/2012 IDP REVIEW

This review coincides with the end of the term of office for the current municipal council. A term for the new council will commence immediately after the upcoming local government elections (date not yet confirmed). This implies that the IDP Review and process would on one hand, be driven by the outgoing council and on the other hand, by the newly elected council.

1.1.1. The Existing/Outgoing Council

IDP Work done just Prior to 2011 local government elections:

1. Municipality would have started the Review of its 2006 IDP by adopting a Process Plan in July/August 2010
2. In line with that Process Plan,
 - The status Quo analysis would have been updated
 - Public Participation would have been done
 - Development strategies would have been reviewed
 - Consultation with various stakeholders and Government Departments would have been done
 - A draft Reviewed IDP would have been noted by council in March 2011

1.1.2. The Newly Elected Council

IDP Work to be done Post 2011 local government elections:

1. Would review an existing Draft IDP and consider it as an interim Plan of new council
2. Effect urgent and necessary adjustments such as those caused by the shift of boundaries
3. Undertake a Final Public Participation Process including the 21 Day Public Notice in terms of Municipal Systems Act
4. Adoption of the Reviewed Plan whose implementation period is effective from 1 July 2011 to 30 Jun2 2012.
5. The municipal manager of a municipality must submit a copy of the integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.

1.2. BASIS FOR 2011/2012 IDP REVIEW PROCESS

The preparation and review of the IDP is a continuous process providing a frame for development planning activities in the district. As such the IDP is not only annually assessed in terms of delivery and the prevailing conditions in the municipality, but also improved upon each and every year. The following aspects informed the 2011/2012 IDP Review process:

- Responding on the Outcome Delivery Agreement (Outcome: 12) and its seven (7) outputs, as signed by the Minister (COGTA); all nine (9) Provincial COGTA MECs and all Mayors on the 1st of October 2010;
- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2010/2011 IDP;
- Responding to issues identified as part of the Municipal Turnaround Strategy;
- Reviewing the current vision, mission, objectives, strategies, programmes and projects;

- Alignment of IDP, Budget and PMS activities of the district with those of the local municipalities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments' strategic plans to the district-wide priorities and service delivery programmes.

This IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- The National Spatial Development Framework (NSDP);
- Millennium Development Goals;
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and
- National Delivery Outcome Agreements (especially outcome nine (9) in relation to Local government and municipalities).

1.2.1. The National Spatial Development Framework (NSDP)

The National Spatial Development Framework (NSDP) is base on the following principles:

Principle 1: Rapid Economic Growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

Principle 3: Beyond Principle 2 above, Government Spending on fixed investment should be focused on localities of economic growth and/or economic potential, in order to gear up private sector investment, stimulate Economic activities and create long-term employment opportunities.

Principle 4: Focus on people, not places, in efforts to address past and current social inequalities.

Principle 5: In order to overcome the spatial distortions of Apartheid, future settlements and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

1.2.2. The Provincial Growth and Development Strategy (PGDS)

The Provincial Growth & Development Strategy (PGDS) is based on the following programmes:

Programme 1: Governance and Administration: A People-focused, responsive, accountable and efficient governance delivering timely and quality sustainable services.

Programme 2: Economic Development: Improve economic growth and development; increase formal jobs and enhance skills development.

Programme 3: Community and Social Infrastructure: Maintain and increase the provision of sustainable, integrated basic service infrastructure development.

Programme 4: Human Capacity Development: Improve and invest in skills and education to develop provincial Human Capacity

Programme 5: Health & Social Support: Improve the livelihoods of the poor, reduce vulnerability to infectious diseases (especially HIV & AIDS), healthcare services; provide social safety nets and build unified, safe communities

Programme 6: Crosscutting Priorities: HIV/AIDS and SMME development; Sustainable environment, Human Rights, Integration, Capacity building; Innovation and technology; Poverty alleviation, and Risk Management.

1.2.3. The Millennium Development Goals (MDG)

South Africa is a signatory of the Millennium Development Goals with other concerned countries.

The Millennium Development Goals (MDG) initiative was aimed at attaining the following goals. Each goal has specific target (s):

Goal 1: Eradicate Extreme Poverty & Hunger

Target 1: Halve between 1990 and 2015 the proportion of people whose income is less than 1\$ per day.

Target 2: Halve between 1990 and 2015 the proportion of people who suffer from hunger

Goal 2: Achieve Universal Primary Education

Target 3_Ensure that by 2015, children everywhere, boys & girls alike, will be able to complete a full course of primary schooling

Goal 3: Promote gender equality & Empower Women

Target 4: Eliminate gender disparity in Primary and secondary education, preferably by 2005 and in all levels of education by no later than 2015

Goal 4: Reduce Child Mortality

Target 5: Reduce the under-five year child mortality rate by two thirds, between 1990 and 2015

Goal 5: Improve Maternal Health

Target 6:_Reduce the maternal Mortality ratio by two thirds, between 1990 and 2015

Goal 6: Combat HIV/AIDS, Malaria and other diseases

Target 7: Have halted and began to reverse the spread of HIV/AIDS by 2015

Target 8: Have halted and began to reverse the spread of malaria and other infectious diseases by 2015

Goal 7: Ensure Environmental Sustainability

Target 9: Integrate the principles of sustainable development into country policies & programmes and reverse the loss of environmental resources

Target 10: Halve the proportion of people without sustainable access to safe drinking water & sanitation by 2015

Target 11: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a Global Partnership For development

Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system, including a commitment to good governance, development and poverty reduction, both Nationally & Internationally

Target 13: Address the special needs of the least Developed Countries, including tariff- and quota free access for Least Developed Countries exports, enhanced programme of debt relief for heavily indebted poor countries and cancellation of official bilateral debt and more generous official development assistance for countries committed to poverty reduction

1.2.4. National Outcome Delivery Agreements

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable outputs with targets. Each output is linked to a set of activities that will help achieve the targets and contribute to the outcome. Each of the 12 outcomes has a delivery agreement which in most cases involves all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities.

Each outcome has been broken into various outputs that stipulate activities to be undertaken towards the achievement of a particular outcome.

The 12 National Outcome Delivery Agreements are as follows:

Outcome 1: Improved quality of basic education;

Outcome 2: A long and healthy life for all South Africans

Outcome 3: All South Africans should be and feel safe; there should be decent employment through inclusive growth

Outcome 4: Decent Employment through Inclusive Economic Growth;

Outcome 5: An efficient, competitive and responsive economic infrastructure network;

Outcome 6: There should be vibrant, equitable, sustainable rural communities with food security for all;

Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all.

Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life

Outcome 9: A responsive, accountable, effective and efficient Local Government System.

Outcome 10: environmental assets and natural resources that are valued, protected and continually enhanced.

Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World; and

Outcome 12: An efficient, effective and development oriented Public Service and An empowered, fair and inclusive citizenship.

The outcome as the Department Of Co-operative Governance and Traditional Affairs (National and Provincial departments) and all municipalities is Outcome 9: **A responsive, accountable, effective and efficient local government system.** Notwithstanding; all National Outcome Delivery Agreements talk to local government, due to an understanding that local government is where the tyre hits the road on service delivery. It is therefore crucial that there should be thorough coordination and alignment between local municipalities and sector departments towards the realization and attainment of the targeted results.

Outcome 9 has been broken down into seven (7) outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving access to basic services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcome

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single window of coordination

The effective implementation of the service delivery agreement will assist in achieving the following imperatives:

- Creating a radical paradigm shift in the management of the public service by aligning service delivery with the values and needs of the public;
- Ensuring a focus on customer value proposition which should entail evaluation of service delivery through the eyes of the customer;
- Providing strong feedback mechanisms on quality and timeliness of service delivery.
- Creating of strong public/private partnerships through involvement of the private sector and civil society in the broad process of policy determination and implementation,
- Unprecedented improvement of the image of government in the eyes of the public by enthusiastically embracing and supporting the process and culture of performance.

Through the service delivery agreement; COGTA and municipalities commit to the following:

- The extension of basic services which include water, sanitation, electricity and waste systems for improved service Management;
- Creation of job opportunities by 2014 through the Community Works Programme;
- Transformation of administrative and financial systems in the municipalities which includes Supply Chain Management and the integration and streamlining all of our internal software systems to ensure uniformity, linkages and value for money;
- The filling of six critical senior municipal posts in various municipalities namely Municipal Manager, Chief Financial Officer, Town Engineer, Town Planner, Human Resources Manager and Communications manager as the basic minimum for every municipality;
- That all municipalities in the province will achieve clean audits by 2014;
- Building municipal capacity to enable municipalities to collect 90% of their revenues;
- Strengthening the organizational performance management delivery and accountability to the communities;
- Improving our interaction with the institutions of traditional leaders and integrating the ward-based system of planning and governance with the programme of traditional councils, where they exist.

These talk to the five (5) National Key performance Areas (KPAs) and should form basis for every municipality's strategic objectives.

Through the service delivery agreement; the Honorable Mayor of all municipalities commit themselves of the following:

- That they will play their role as outlined in the Municipal Finance Management Act by monitoring the prudent management and utilization of their municipal finances;
- That they will monitor the execution of their municipal Service Delivery and Budget Implementation Plans (SDBIPs) for improved and accelerated service delivery;
- That they will take personal responsibility and accountability for non-delivery to communities;
- That they will ensure every rand spent in their municipalities does what it is earmarked for;
- That they will advocate and actively work towards corrupt-free municipalities;
- That they will lead by example in their various communities by adhering to ethical standards and professional conduct in their public and private lives;
- That they will render unwavering support to the effective functionality of their newly established Municipal Public Accounts Committees and Audit Committees to ensure that corruption, fraud and mismanagement is uprooted
- That, working with our esteemed traditional leaders, they will work tirelessly in restoring the confidence of the people in the system of local government as we move towards the 2011 local elections.

1.2.5. Comments from the MEC on 2010/2011 integrated development plan

It is worth noting that the municipality is encouraged by the comments received from the MEC for Co-operative Governance and Traditional Affairs MEC Ms. N. Dube on the 2010/2011 IDP. The municipality acknowledged that responding to the comments made will not only address gaps in the IDP, but will also enhance the credibility of the document.

The following outlines and deals with the concerns raised by the MEC regarding the District's IDP (2010/2011).

MEC's COMMENTS	THE BIG 5 FALSE BAY MUNICIPALITY's RESPONSE
KPA 1. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	
KZ273 is required to: <ul style="list-style-type: none"> - develop structures to promote inter-governmental relations; - develop and include an anti-corruption policy/strategy in the 2011/2012 IDP review; - to clarify the status of the OPMS, and include the results of the PMS in the 2011/2012 IDP review; - Report on the progress of filling critical vacant posts. 	The Municipality acknowledges that the issue regarding IGR structures was not highlighted in the 2010/2011, however the municipality is part and actively involved in the District-wide IGR structure and also on Provincial structures (refer to chapter 1.4 of the 2011/2012 draft IDP). An anti-corruption strategy would have been adopted by 31 October 2011. Through assistance from the District, it is believed that OPMS for 2011/2012 IDP Review has been presented clearly (Refer to chapter 6).

MEC's COMMENT	THE BIG 5 FALSE BAY MUNICIPALITY's RESPONSE
KPA 2. LOCAL ECONOMIC DEVELOPMENT	
The presence of an updated LED strategy is acknowledged. However, it is strongly recommended that the municipality fills the vacant post of the LED Manager.	The comment is noted and the post will be filled in the 2011/2012 FY
KPA 3. BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	
The municipality has not prepared its housing plan. Therefore it is encouraged to consolidate the details of the plan into a chapter within the 2011/2012 IDP review.	The Housing sector plan has been included as chapter 3 in the 2011/2012 IDP document

MEC's COMMENT	THE BIG 5 FALSE BAY MUNICIPALITY's RESPONSE
KPA 4. FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	
<p>The inclusion of a financial plan is commended. However there is a need to expand on this plan into revenue generation for a five-year implementation plan.</p> <p>There is also a need to prepare a Debt recovery plan and Property rates policy to assist the municipality in generation of revenue.</p> <p>The municipality must:</p> <ul style="list-style-type: none"> - Ensure the CIP is expanded to a 5-year period; - Highlight the corrective steps to be taken in light of the AG comments - Ensure alignment of IDP (issues, strategies and projects), budget, OPMS, and MTAS. 	Comments are noted and have been addressed
KPA 5. GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	
KZ 273 is encouraged to develop its Communication strategy to enhance community participation.	Communication strategy is in place and community participation is based on that plan.

MEC's COMMENT	THE BIG 5 FALSE BAY MUNICIPALITY's RESPONSE
KPA 6. SPATIAL DEVELOPMENT FRAMEWORK	
It is acknowledged that the Spatial Development Framework (SDF) of the municipality was developed in 2007 and is currently under review. Expression of CIP is also commended.	Noted.
GENERAL COMMENTS	
There is a need for the involvement of sector departments to be encouraged even further. The challenges in this regard are acknowledged nevertheless the municipality is encouraged to persevere.	Noted. A District-wide drive to encourage sector involvement is being envisaged. The intention is to conduct a series of one-on-one meetings between the District Planner's Forum and sector departments.

1.3. INSTITUTIONAL ARRANGEMENTS TO DRIVE THE IDP PROCESS

The Big 5 False Bay Council is responsible for the approval of the IDP while the Steering Committee is responsible for the management and the drafting of the IDP in terms of Section 30(a) of the Municipal Systems Act. The IDP falls within the office of the Municipal Manager. An IDP/PMS unit has since been opened although the IDP/PMS Manager has not yet been employed.

As such the municipality has enlisted the help of the Umkhanyakude District Municipality's IDP/PMS Unit towards the compilation of this document.

The office of the Municipal Manager in conjunction with the Umkhanyakude District's IDP/PMS unit compiles the IDP document through consultation with various sets of information and directs its output to the IDP Representative Forum for debates and further inputs and refinement of the plan. The IDP Representative Forum is the structure that provides a platform for public participation through involvement of different community structure representatives, political leaders, traditional leaders and government entities which provide support throughout the planning process.

The roles and responsibilities of structures participating during the 2010/2011IDP Review are described below:

ROLE-PLAYER	ROLES
Council	Participate in the drafting and approval of IDP Process Plan and the chairperson of the Planning and Development portfolio committee chairs the Representative Forum meetings.
Steering Committee	Ensures adherence to IDP Framework/Process plan, coordination of stakeholders, support to Local municipalities and documentation of the IDP.
Ward Councilors	<ul style="list-style-type: none"> ➢ Participate in the Rep Forums and collect information from the community for inclusion in the IDP. ➢ Disseminate information to the community about the developmental issues as contained in the IDP and ➢ Participate in the project implementations at their specific wards
Municipal Manager	Monitor and oversee the overall IDP planning and implementation process.
Line function managers	<ul style="list-style-type: none"> ➢ Participate in the steering committees meetings and Rep forums. ➢ Provide technical/sector expertise
Umkhanyakude IDP/PMS Unit	<ul style="list-style-type: none"> ➢ Provides hands-on support towards drafting of the IDP ➢ Participates in the IDP Steering and Representative Forums.
Sector departments (province & national)	<ul style="list-style-type: none"> • Provide data and information for better planning & alignment • Provide information about project to be implemented in the municipality as well as the budget allocation • Provide technical and professional support
Umkhanyakude District Municipality	<ul style="list-style-type: none"> • Coordinate and align planning activities of locals • Ensure horizontal and vertical alignment
Business sector	<ul style="list-style-type: none"> • Provide information and suggestions about business development.
NGOs & CBOs	<ul style="list-style-type: none"> • Participate in Rep forums meetings • Represent interest and contribute knowledge and ideas
Community members	<ul style="list-style-type: none"> • Participate in their wards by providing information to the ward committees • Participate in local meetings • Provide comments during the IDP advertisement period.

Through its Council-approved 2011/2012 IDP process Plan; The Big 5 False Bay Municipality decided on critical dates for IDP Representative and Steering committee meetings. These dates were aligned with the Umkhanyakude District-wide Framework Plan to ensure that IDP-related events do not clash with those of the District and other local municipalities within the District.

The dates which include the Performance Management dates and a District-wide Planning Forum dates are outlined below:

MONTH	IDP Steering Committee	Development Planning Forum	IDP- RF	PMS
JULY				
AUGUST		04/08/2010 (KZ271)		Performance Report (31 August 2010)
SEPTEMBER				
OCTOBER		26/10/2010 (KZ272)		1 st Quarterly Review (13 October 2010)
NOVEMBER	01/11/2010(KZ 273)		04/11/2010	
DECEMBER				
JANUARY	24-01-2011(KZ 273)	12/01/2011 (KZ273)	25/01/2011	2 nd Quarterly Review and mid-term Review (13 January) Annual Report (2009/2010 FY) (20 January 2011)
FEBRUARY	21/02/2011(KZ 273)	23/02/2011 (KZ274)	24/02/2011	
MARCH				
APRIL		20/042011 (KZ275)		3 rd Quarterly Review (07 April 2011)
MAY		25/05/2011 (DC 27)		
JUNE	20/062011(KZ 273)		22/06/ 2011	4 th Quarterly Review/Annual Review (14 July 2011)

IDP-related activities that took place during The Big 5 False Bay Municipality IDP review process thus far are presented in a table below:

ACTIVITY	PURPOSE	DATE
IDP Steering Committee		
Development Planning Forum	Discussion on IDP Framework plan (2011/2012) for the District	04 August 2010
IDP Representative Forum	Discussion and drafting of the Draft 2011/2012 Reviewed IDP Framework/Process plan	22 September 2010
Development Planning Forum	IDP Alignment issues	26 October 2010
IDP Steering Committee		08 November 2010
IDP Representative Forum	Identification of priority issues (municipal-wide)	17 November 2010
IDP Steering Committee		10 January 2011
Development Planning Forum	IDP Alignment issues; discussion on the Progress made by LMs on their IDP preparation. Hands-on support to be provided by the District to municipalities where there is lack of capacity.	12 January 2011
DC 27 IDP Planning with KZ 275	Discussing on the plan of action for the compilation of the KZ 273 IDP	18 January 2011
IDP Steering Committee	Review of strategic objectives as per KPA. Development of the OPMS	24 January 2011
DC 27 IDP Planning with KZ 275 (Steering committee)	Discussion and finalization of the OPMS	31 January 2011
IDP Representative Forum	Presentation and discussion on strategic objectives and OPMS. Presentation of annual report	09 February 2011

1.4. INTER-GOVERNMENTAL RELATIONS

The Big 5 False Bay Local Municipality is responsible for facilitating inter-governmental relations within its area of jurisdiction. In line with the Intergovernmental Relations Framework Act, the municipality has taken upon itself to improve intergovernmental engagements to ensure that proper intergovernmental planning guides public, private and donor investment in the district.

The municipality is part of the District Manager's Forum "a key forum for strategic alignment, coordination and integration" that serves as an inter-governmental structure where the Sector Departmental Managers in the district meet with their municipal counterparts.

The relationship between the municipality and sector departments is improving. There are also inter-municipal structures (i.e. District Planning Forum; Municipal Managers' Forum) that discuss and resolve on issues cutting across all municipalities.

There are, however, grey areas on how the hierarchical inter-municipal and inter-governmental structures should cross feed into each other's programmes and be measured in terms of performance. For example, the municipality cannot hold any sector department accountable for the non-implementation of projects which are submitted for inclusion in the IDP document.

The following are political and non-political inter-governmental structures that facilitate inter-governmental relations among the district, province and local municipalities:

- Mayors' Forum, which is responsible for co-ordination of inter-municipal relations (District and Local Municipalities). This body is composed of Executive Mayors and Municipal Managers from five local Municipalities and UMkhanyakude District's Executive Mayor and Municipal Manager.
- Municipal Managers' Forum, co-coordinating inter-governmental relations at district level between municipalities and sector departments.
- District Development Planning Forum responsible for the alignment of IDP process;
- LED Forum, which is responsible for co-ordination and promotion of the District's local economy.

In addition to the above-mentioned structures, there are also:

- Liaison & Conservation Forum
- Umkhanyakude Inter-municipal Forums; and
- Chief Financial Officers' (CFO) Forum.

These forums are fully functional.

1.5. PUBLIC PARTICIPATION

Public participation is mainly done through ward committee system as it is the institutionalized form of communication forum. Despite that, other forms of participation, such as IDP Representative Forum meeting were utilized in order to strengthen the link between the municipality and its community. Public participation in respect of IDP, Budget and PMS offered a good platform for the communities to add value to the final commitment of the Council in the approval phase.

The Ward Committees are a key factor and the basis for Community participation in the Planning Process. Ward committees were actively involved in conducting ward surveys in the respective local municipalities. An advertisement was placed in the local News Paper and e-mailed for individuals, focus groups and NGO's to register on the Database. This database is reviewed annually as to include a wide spectrum of stakeholders.

Review of needs for the 2011/2012 IDP was conducted at the IDP Representative Forum meeting held at the municipal office on the 17th of 2010 and finally confirmed at the IDP consultative meeting on the 13th of January 2011. There was a positive turn-out of stakeholder ranging from community members, ward committee members, councilor traditional authorities, sector departments etc. The ward-based needs and municipal-wide priority needs are identified at the end of the analysis phase (Refer 2.9).

The Big 5 False Bay municipality also conducted joint consultative meeting with the Umkhanyakude District Municipality on the 14th of March 2011, whereby both Mayors accompanied by the municipalities HODs presented the 2011/2012 Draft IDP/Budget for the respective municipalities. Comments were recorded and would be taken into consideration and changes would be effected accordingly as the municipality prepares to finalize its IDP.

The municipality is also in the process of organizing its own IDP/Budget consultative meetings whereby it will visit all wards and presents the draft IDP/Budget to the community. That will coincide with the advertisement and placement of the draft IDP and Budget at strategic locations across the municipal area. Changes and improvements on the IDP and the budget will be made in relation to the comments and recommendations received from the community and stakeholders at large.

ANALYSIS PHASE

The analysis phase of the IDP reflects the status quo of socio-economic and institutional situation within the geographical area of The Big 5 False Bay Local Municipality. The purpose of undertaking a municipality status quo analysis is to ensure that planning decisions are based on available and accessible resources, as well as proper information and a profound understanding of dynamics influencing development in the area.

CHAPTER 2: SITUATION ANALYSIS

2.1. ORGANIZATIONAL STRUCTURE AND INSTITUTIONAL ANALYSIS

The purpose of conducting an institutional analysis is to ensure that the municipal development strategies take existing institutional capacities into consideration and that institutional shortcomings are addressed. The Big 5 False Bay Local Municipality was established in 2000 in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipal offices are at Hluhluwe Town.

2.1.1. Powers and functions of The Big 5 False Bay Local Municipality

The powers and functions are clearly outlined within the IDP of UMkhanyakude District Municipality. The following functions are the roles and responsibility of The Big 5 Local Municipality:

- Air Pollution & Air Quality control
- Noise Pollution
- Environmental Management
- Building Regulations
- Child Care Facilities
- Pontoons, Ferries, Jetties Piers & Harbours
- Storm Water Management in Built up areas
- Trading Regulations
- Beaches and amusement facilities
- Billboards and Display of advertisement in Public Places.
- Cleansing
- Control of public nuisances
- Facilities for the accommodation, Care and Burial of Animals
- Fencing and Fences
- Licensing of Dogs
- Local Amenities
- Local Sport Facilities
- Municipal Parks and recreation
- Pounds
- Public Places
- Street Trading
- Street Lighting; and
- Traffic & Parking

The following functions are shared by both the district and its family of municipalities:

- 1) Promotion of local Tourism;
- 2) Municipal airports;

- 3) Municipal planning, which includes integrated development Planning for the whole local municipal area;
- 4) Municipal public transport;
- 5) Cemeteries, funeral parlors and crematoria;
- 6) The establishment conducts and control of fresh produce markets and abattoirs; and
- 7) Municipal roads which form integral part of a road transport system for the area of the District Municipality as a whole.

2.2. POLITICAL STRUCTURE

As it is the case with any municipality, The Big 5 False Bay Local Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The Council of the municipality consists of 7 councilors of which 4 represent wards and the other 3 were proportionally elected on the basis of the proportion of votes cast for the respective parties. The Executive Mayor and the Speaker head the political component of the municipality.

The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislation. The municipality has the authority to take any possible actions to effectively exercise powers assigned to it. The overall executive and legislative authority vests in Council. The Council must, therefore, take all the major decisions of the Municipality.

The composition of the Council is as follows:

Political Party	No of ward Councillors	No of Proportional Councillors
IFP	4	1
ANC	0	2

The councilors are as follows:

Ward 1	Cllr. CT Khumalo	Mayor/ Ward Councillor	IFP
Ward 2	Cllr. GJ Mthethwa	Ward Councillor	IFP
Ward 3	Cllr. F.Z Nkwanyana	Ward Councillor	IFP
Ward 4	Cllr. PM Mdluli	Ward Councillor	IFP
	Cllr. NC Mcambi	PR Councillor	IFP
	Cllr. MA Mtshali	PR Councillor	IFP
	Cllr. MH Mkhize	PR Councillor	ANC

2.3. MANAGEMENT STRUCTURE

The Municipal Manager is responsible for his own office and the following three (3) departments:

- Planning, Development & Technical Services Department
- Corporate & Community Services Department;
- Financial Services Department; and

The municipality has a staff of 33 employees, which are proportionately employed per department as follows:

Department	Number of staff members (Excluding Management)	Number of Vacancies
Office Of The MM	2	1
Finance	12	3
Corporate & Community	17	3
Planning & Development & Technical	2	3

The Big 5 False Bay Municipality is also part of the newly established Development Planning Shared Services (DPSS). This programme has been established by KZN-COGTA in order to support the entire municipality in areas of development planning, OPMS and GIS.

The DPSS comprises of the following positions:

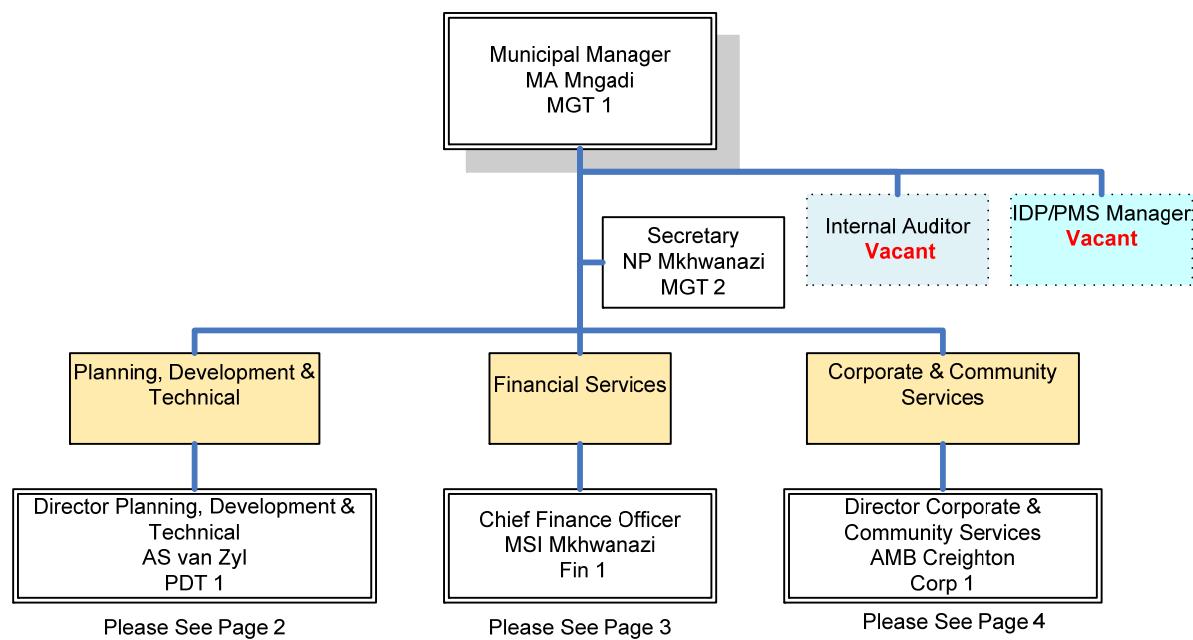
- The Chief Planner: assisting in planning, IDP matters
- Town planners X 2: one planning is assisting Mtubatuba, Hlabisa & Big 5 False Bay Municipalities and the second planner is assisting uMhlabuyalingana and Jozini Municipalities.
- GIS Specialist: assisting in GIS related matters
- GIS Data Capturer: assisting in data collection and capturing.
- Performance Management System Officer: still vacant, but will be assisting in OPMS matters.

All 5 Local Municipalities and the District Municipality are contributing both financially and by providing office space towards successful operation of the DPSS.

Diagram 1: Organogram of the top management structure:

The Big 5 False Bay Municipality

Organogram – 2 July 2010



2.4. STATUS QUO ANALYSIS

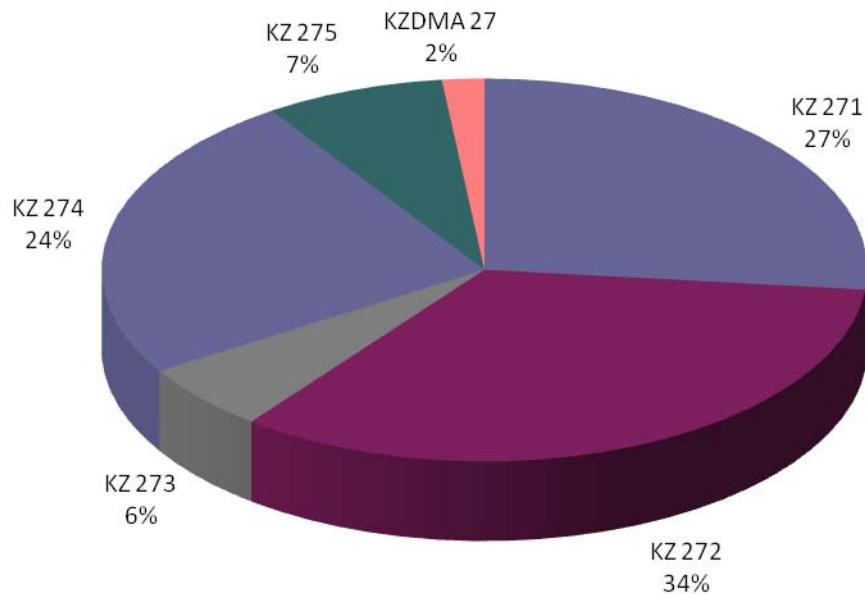
Embarking upon the analysis process for Big 5 False Bay has required widespread research into the most reliable sources of data to use. It was determined prior the data scan that the population and demographic data would require the most attention; this is due to apparent inconsistencies in the census 2001 data as well the fact that inaccurate demographic data paints a directly distorted picture of the very population group that the IDP seeks to accommodate for, i.e. it's integral to understand the dynamics of the population for which one is planning.

2.4.1. DEMOGRAPHICS

In terms of 2007 Community survey, The Big 5 False Bay Municipality has 34 991 people with 6 657 households; thereby making it the least populated local municipality in the Umkhanyakude District. There is slight imbalance in terms of gender, with males comprises 16432 of the total population and female making up to 18558 of the total population.

The Big 5 False Bay municipality contributes only 6% towards the total population of Umkhanyakude District Municipality¹

The contribution of all five local municipalities towards the Umkhanyakude District's total population is outlined below:



KZ 273 Population Characteristics in comparison with other LMs in DC 27 (Source: STATSA)

MUNICIPALITY	PERSONS		HOUSEHOLDS	
	CS 2001	CS 2007	CS 2001	CS 2007
<i>Umkhanyakude</i>	573 341	614 046	101 563	114 973
<i>Umhlabuyalingana</i>	140 958	163 694	25 959	27 006
<i>Jozini Municipility</i>	184 052	207 250	33 534	38 530
<i>The Big Five False Bay</i>	31 291	34 991	6 183	6 657
<i>Hlabisa Municipality</i>	176 890	150 557	26 876	27 260
<i>Mtubatuba Municipality</i>	33 612	46 596	7 472	11 339
<i>DMA</i>	6 538	10 958	1 539	2 181

¹ The total population for Umkhanyakude District in terms of 2007 Community Survey is 614 046

2.4.2. POPULATION BY RACE

The race composition of the entire Zululand region is overwhelmingly black, a characteristic well in line with the demographic profile of that part of the country. As expected this characteristic is also reflected in Big 5 False Bay. The other ethnic groups make up tiny proportions (white 1.8%, coloured 0.19% and Asian/Indian 0.15%) of the population.

The Big 5 False Bay Local Municipality's total population in terms of 2001/2007 statistical figures:

Population Group	Population 2001	Population 2007
Blacks	183 524	204101
Coloureds	46	66
Indians or Asians	204	338
Whites	305	794
Grand Total	184 052	205299

Total Population Figures According per ward (**Source:** StatSa, 2001).

WARD	2006 IDP Estimates	Census 2001
1. Makhasa	10544	7037
2. Mnqobokazi	11958	12873
3. Town and Farms	10151	3808
4.Nibela	10572	7390
TOTAL	43225	31108

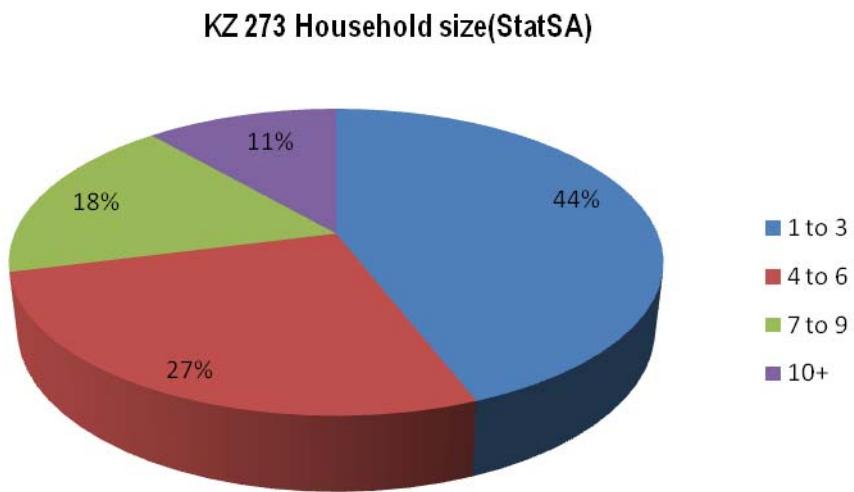
2.4.3. POPULATION DENSITY

The relatively low population density of 41 ppl/km² of Big 5 False Bay is to be expected. This reflects:

- Only one significant urban settlement (Hluhluwe town, including Phumlani);
- A large proportion of commercial agriculture in the municipal area ;
- A significant number of game lodges and Game Farms in the municipal area;
- Significantly populated but scattered rural homesteads spread across large areas;
- The Makhaza tribal area (Ward 1) is far more densely populated than the other two traditional areas, despite having a very similar sized population;
- The Nibela peninsula is less densely populated than Makhaza but more densely populated than Mnqobokazi, which is the least densely populated of the rural wards but also the largest in size;
- Aside from the settlement at Hluhluwe town, the rest of Ward 3 is very sparsely populated (14.1 ppl/km²). This ward accommodates all of the commercial agriculture and game lodge activity that occurs in Big 5 False Bay. However, it should be noted that information on the farm population is inadequate (based in Census 1996) and should be investigated at a later stage.

Density has a strong cost implication for service provision. The known low densities of the tribal areas (Wards 1, 2 and 4) already pose development challenges. Although other factors undoubtedly need to be taken into account, the densities listed below imply that Mnqobokazi would be the most difficult to service, followed by Nibela and that Makhasa would be the least difficult or costly of the three. Wards densities in terms of number of people per km² are expressed below:

WARD	Area (km ²)	Density (ppl/km ²)
1. Makhasa	43.4	243.0
2. Mnqobokazi	203.2	58.8
3. Town and Farms	722.4	14.1
4.Nibela	91.7	115.3



2.4.4. POPULATION BY AGE

The age category data at a ward level was only available from Census 2001. Hence, while useful in giving an indication of age trends in each ward, is likely to be less accurate than the IDP 2006 population estimates.

The age trends are almost identical in each of the three traditional wards (Wards 1, 2 and 4). Ward 3, which includes Hluhluwe town, Phumlani, the commercial agriculture and game lodges, has a different proportion in every age category. Importantly, there are proportionally far fewer infants and young children and proportionally far more working aged people in Ward 3.

The proportionally higher numbers of children in the rural wards has a strong implication for certain social services such as schools and crèches, and the smaller proportions of working aged people might be explained by migration of people seeking work elsewhere.

2.4.5. POPULATION BY GENDER

Both of these sections rely exclusively on Census 2001 data, which undermines credibility to an extent. However, it's important to realize that the statistical analysis of demographic patterns is never an exact science and should be used for planning in conjunction with other forms of analysis and data. Furthermore, the findings of the analysis based on this data should be used to give an indication of trends and patterns rather than as an exact representation.

Of all of the local municipalities in Umkhanyakude, Big 5 False Bay has the smallest imbalance in gender ratios, i.e. the most evenly matched proportion of males and females. The most significant implication of this is that the migration of male family members to find work away from home might occur less than in other parts of the district

The gender breakdown of the individual wards of Big 5 False Bay shows a stark difference between gender proportions in Ward 3 (urban areas, commercial farms and game lodges) and the traditional areas. Higher proportions of males in Ward 3 could be accounted for by farm workers living on the commercial farms (possibly originally residing in one of the tribal wards). None of the tribal wards (1, 2 and 4) display unusually high proportions of females to males; the distinction is none-the-less pronounced.

2.4.6. POPULATION BY HOUSEHOLDS

The aggregating of household numbers according to municipal areas is problematic in South Africa. Municipal demarcation policy has ensured that local municipal jurisdictions include a range of land-use and settlement typologies (urban, rural, white-owned farms, traditional areas to name a few). The household structures across these typologies differ greatly. Consider a traditional white suburban household, which might comprise 3-5 members in one physical building, and a traditional rural black household that might house 15 or more people in a cluster of structures. Such differences in settlement patterns and cultures complicate statistical projections over large areas. The 2001 Census gives household sizes across the whole spatial spectrum.

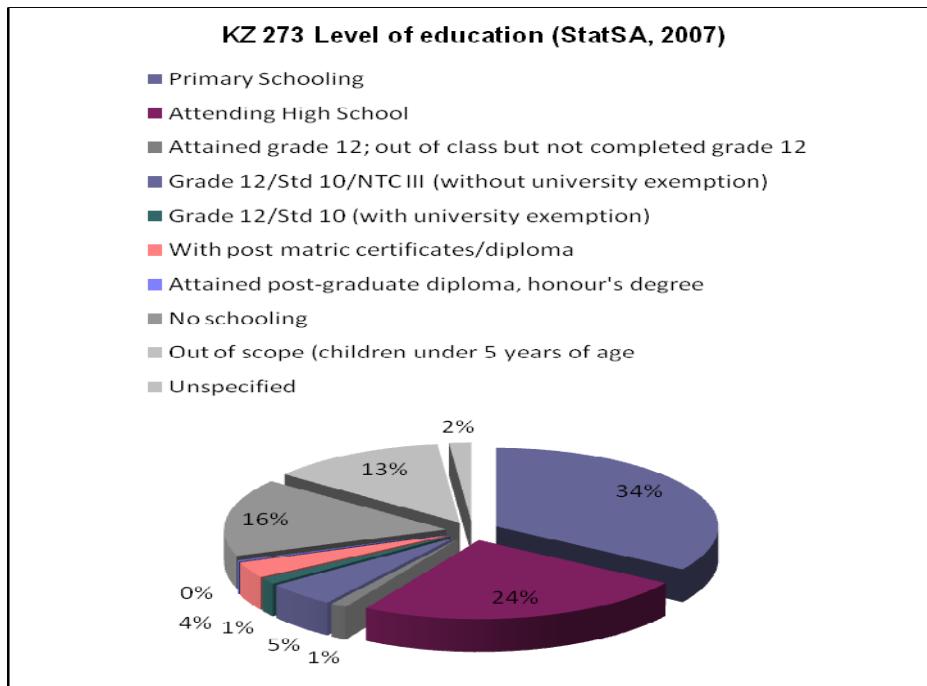
Census 2001 provides ward-by-ward data for household sizes. It is worth noting that the averaging of household sizes for the whole municipality skewed the detail of the dynamics of each area. The information concurs with the expected cultural norms, with high proportions of larger (5 or more) households in the tribal areas (Wards 1, 2 and 4) and extremely high proportions of small households in Ward 3, representing the traditional urban settlement, Hluhluwe, and farms.

The implication of this fact is significant; the servicing of the rural population (at least 30000 people) can be far more effectively managed if the households, although scattered, hold large numbers of people, i.e. a pipeline to a household can service ten, or even twenty or thirty people in some instances, rather than merely three, four or five.

2.5. SOCIO-ECONOMIC ANALYSIS

2.5.1. SOCIAL ANALYSIS

1. LEVELS OF EDUCATION



More than 50 % (i.e. 34% primary schooling and 24% attending schooling) are school-going kids. This is an indication of youthfulness of the population of The Big 5 False Bay. Based on the above figure, 16% of the total population has no schooling. A trend similar to other local municipalities within the District indicates decrease in number of students acquiring post grade twelve qualification, which implies that a number of students get lost along the system.

2.5.2. ECONOMIC ANALYSIS

2. HOUSEHOLD INCOME

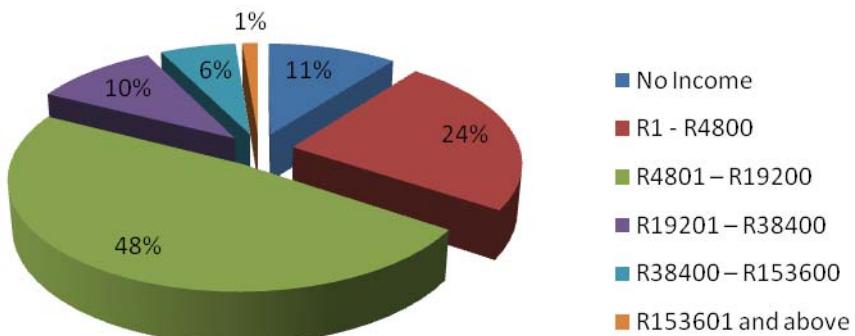
An integral part of the economic structure of an area is the spending power and multiplier effect of spending within the local economy. The table below shows the numbers of households and the proportions of all of the households in that area fall into several income brackets. In Big 5 False Bay, on average, 48% of the households earned between R4901 and R19200 in the year 2001; that's between R408 and R1600 per month per household.

KZ 273 Household Incomes (StatSA, 2007)

INCOME CATEGORY	NO.OF PEOPLE	%
No Income	645	11%
R1 - R4800	1464	24%
R4801 – R19200	2961	48%
R19201 – R38400	621	10%
R38400 – R153600	378	06%
R153601 and above	78	01%

It is worth noting that the majority of the population lives in a household that falls into the R4801 to R19200 per year category, while the second largest proportion of the households earn less than R1600 per month. Furthermore, households that earn less are those that are bigger in size, i.e. that fall within 4 to 6; 7 to 0; and 10+ people per household category. This is a clear indication that on average the population of Big 5 False Bay is very poor. Consequently the internal spending power of the population is very limited. It should also be noted that while spending may be small, much income is retained in Big 5 False Bay through the services offered in Hluhluwe town.

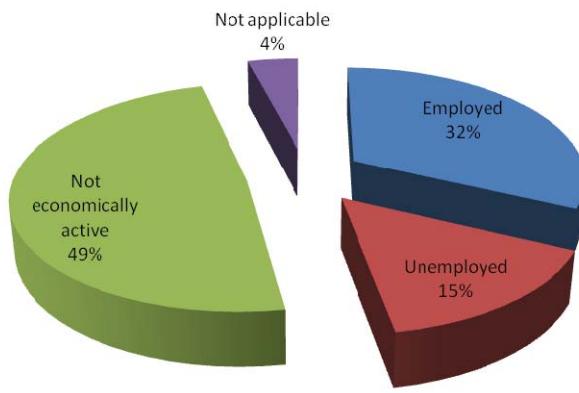
KZ 273 Household Income (%) (StatSA, 2007)



3. EMPLOYMENT STATUS

Almost half (49%) of the total population is not economically active. 3013 (15%) are unemployed. A trend consistent to the District indicates that a bulk of those unemployed and not economically active comprises of youth. Only 6330 people, 34% percent of the total population are employed. It should be noted that in comparison to other local municipalities within Umkhanyakude district, Big 5 False Bay has the smallest labour force of all of the local municipalities in Umkhanyakude, at approximately 6285 people.

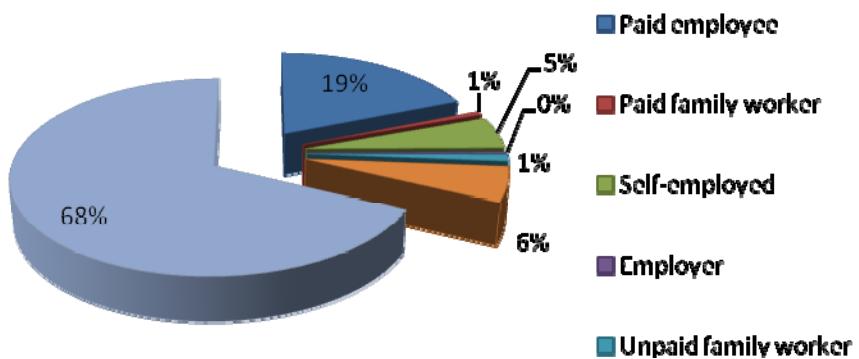
KZ 273 Employment Status, StatSA, 2007



KZ 273: Employment status compared to other Local municipalities within DC 27

Municipality	Employed	Unemployed	Not economically active
KZ 271	32932	8255	40944
KZ 272	36088	13774	58602
KZ 273	6330	3013	9624
KZ 274	12298	15388	52675
KZ 275	16282	3799	7040

KZ 273 Work Status (StatSA, 2007)



Labour absorption rate

The labour absorption rate measures the extent to which the working age population correlates to the labour force, and hence the extent to which the working-age population is being absorbed into the labour market. In terms of labour absorption rate, given the small figure, i.e. the Big 5 False Bay labour force and working age population, the municipality has a very low labour absorption rate of 37.55%. Again, the statistical sources of data are different, with labour force derived from the DBSA and working age population from Census 2001. As

such this labour absorption rate shouldn't be taken as a completely true figure, but rather used as an indicator of generally low labour absorption in Big 5 False Bay.

Value Added

The DBSA has provided value added figures for local municipalities. Value added measures the value added in production, and (gross value added) is the difference between output and the value of inputs and services used in the process of production. District-wide value added figures indicate that both Big 5 False Bay and Jozini have very low value added figures when compared to the other three local municipalities. This is surprising given the strong agricultural base in Big 5 False Bay. The DBSA figures allocate only 4.3% of total value added in Umkhanyakude to Big 5 False Bay, a low proportion indeed.

KZ 273 Economic Activities, patterns of Growth and Decline from 2001 to 2004 (%), (DBSA)

Sector	Activity*	2001		2004		Growth %
		VA	%	VA	%	
Primary	Agriculture	14,779	27.8%	14,596	25.9%	-1.24%
	Mining	4	0.0%	6	0.0%	50.00%
Secondary	Manufacturing	4,849	9.1%	4,703	8.4%	-3.01%
	Energy	1,455	2.7%	1,403	2.5%	-3.57%
	Construction	1,392	2.6%	1,608	2.9%	15.52%
Tertiary	Wholesale	5,821	10.9%	6,541	11.6%	12.37%
	Transport	8,282	15.6%	9,398	16.7%	13.48%
	Finance	4,000	7.5%	4,791	8.5%	19.78%
	Services	12,585	23.7%	13,249	23.5%	5.28%
Total		53,167	100%	56,295	100%	5.88%

The three most significant economic sectors within Big 5 False Bay, in terms of value added in production in 2004, are:

- Agriculture, forestry and fishing 25.9%
- Transport, storage and communication 23.5%
- General government and personal services 16.7%

Wholesale, retail, motor trade, catering and accommodation activities exhibit the fourth highest value added in 2004, with 11.6%. The above table shows that several activities have shown very high levels of growth in value added, namely construction, wholesale and retail, transport and finance. Significantly, value added in agriculture declined by 1.24% from 2001 to 2004, but this is a very negligible decline. Agriculture remains the most significant economic activity in Big 5 False Bay.

Gross Domestic Product (GDP)

Rather than just rely on the value added figures from the DBSA to give an economic picture of Big 5 False Bay, GDP figures have been used. GDP gives a more complete picture of actual production generated. Figure 21 below shows 2004 GDP, at 2000 prices, across the local municipalities in Umkhanyakude. One can immediately see how the discrepancies between the GDP figures are far smaller than the discrepancies between the value added figures. Here Big 5 False Bay contributes almost R154 mill (about 8% of GDP for Umkhanyakude), although it remains the smallest economic producer in the district.

While GDP gives a picture of overall economic performance, the agricultural GDP will show the relative strength of Big 5 False Bay's most significant economic activity. While the overall GDP for Big 5 False Bay was least significant in Umkhanyakude with 8%, its agricultural GDP contributes 21% to the agricultural output of Umkhanyakude, ranking third, with significantly higher output than Umhlabuyalingana and Hlabisa (see below)

DC 27 Local Municipalities' Agricultural GDP (DBSA, 2004)		
Local Municipality	Agricultural GDP	%
Mtubatuba	63427067	33%
Jozini	45662614	24%
Big 5 False Bay	40338748	21%
Umhlabuyalingana	24540490	13%
Hlabisa	19748907	10%
Total (Umkhanyakude)	193717826	100%

Compared to other four local municipalities at Umkhanyakude District Municipality, Big 5 False Bay has a competitive advantage in agriculture. The predominant crop and the product in which Big 5 False Bay has a nationally significant role in producing is the pineapple. A key aspect of the economy not well measured or accounted for by the data sources is tourism. A number of factors foster a competitive advantage in tourism in Big 5 False Bay:

- Proximity to False Bay Reserve on Lake St. Lucia, a world heritage site
- Abundant natural expanses and wildlife
- Numerous game lodges
- Excellent accessibility off the N2 national route
- Proximity to Hluhluwe town which easily services the whole municipal areas, providing a number of key facilities, and also
- An airport in Hluhluwe town

2.6. LEVEL OF INFRASTRUCTURE IN THE MUNICIPALITY

This section seeks to assess the level of infrastructure provision in Big 5 False Bay. It is very crucial to understand the issues of infrastructure in the Municipality so as to be realistic when setting spatial development goals in relation to housing.

2.6.1. WATER SUPPLY

The table below reflects the percentage distribution of households by type of water source, as per the 2007 Community Survey conducted by StatsSA:

DESCRIPTION	CENSUS (2001)	COMMUNITY SURVEY (2007)
Piped Water (in Dwelling)	13.5%	20.7%
Piped Water (in Yard)	13.4%	9.5%
Piped Water (Outside Yard)	4.7%	8.1%
Borehole	25.8%	10.1%
Spring	7.0%	2.0%
Dam/Pool	17.5%	10.0%
River/Stream	11.1%	2.3%
Water Vendor	2.1%	15.0%
Rain Tank	2.1%	15.0%
Other	3.7%	0.4%

From the above table, there has been some improvement in the supply of piped water, albeit very limited, i.e. from 31.6% to 38.3%. This obviously implies that in 2007, 61.7% of households in the Municipality still had no access to piped water.

2.6.2. WATER SCHEMES IN BIG 5 FALSE BAY MUNICIPALITY

Hluhluwe Water Supply Scheme

The bulk supply system located at Hluhluwe dam consists of a treatment facility at the dam with a rated capacity of 1980kl/d. Plans to augment the plant are currently underway. Potable water is pumped through a 300mmØ rising main to a 5000kl reservoir located in the Mdletshe area. From Mdletshe water is transferred to Hluhluwe town.

Bulk consumers include:

- Mdletshe rural ± 360kl/d
- Commercial farmers (19) and a game ranch ± 130kl/d
- Hluhluwe town ± 880kl/d

Hluhluwe – Masibambane Scheme

The treatment facility consists of a package plant with a rated capacity of 1980kl/d. Abstraction is from the Hluhluwe river located downstream of Hluhluwe dam. From the treatment plant potable water is supplied to rural communities to the south (Ophondweni region) at approximately 650kl/d and communities towards False Bay in the north at approximately 650kl/d.

Water service level at The Big Five False Bay municipality is presented below (DC 27, WSDP, 2007)

SERVICE LEVEL	% OF POPULATION
RDP and above	13.7%
Dysfunctional scheme	-
Unreliable source	-
Below RDP	86%

Borehole distribution at Umkhanyakude is presented below (DC 27, WSDP, 2007)

Local Municipality	No. of Borehole working	No. of Borehole not working	Total no. of Boreholes
KZ 271	54	05	59
KZ 2727	131	22	153
KZ 273	35	15	50
KZ 274	111	70	181
KZ 275	03	00	03
TOTAL	334	112	446

2.6.3. SANITATION

The table below reflects the percentage distribution of households by type of toilet facilities, as per the 2007 Community Survey conducted by StatsSA:

DESCRIPTION	CENSUS (2001)	COMMUNITY SURVEY (2007)
Flush toilet (connected to sewer)	21.9%	24.2%
Flush toilet (with septic tank)	2.8%	4.0%
Dry toilet facility	-	2.9%
Chemical Toilet	3.0%	51.7%
Pit Latrine with Ventilation (VIP)	8.1%	3.3%
Pit Latrine without Ventilation	6.2%	-
Bucket Latrine	0.7%	0.5%
None	57.2%	13.5%

It is interesting to note, from the above table, the significant increase in the use of chemical toilets, i.e. from 3.0% to 51.7%. There has not been a significant increase in flush toilets, i.e. 24.7% to 28.2%, whilst there has been a reduction in the use of VIPs, i.e. from 8.1% to 3.3%. (However, this

information is totally distorted and incorrect, seeing that the whole of Hluhluwe does not have access to waterborne sewerage, apart from Phumlani, the low income area).

2.6.4. SANITATION SCHEMES IN BIG 5 FALSE BAY MUNICIPALITY

Hluhluwe Scheme

This scheme serves 170 households. Each household has access to a flush toilet. The wastewater treatment plant has a capacity of 92ML/year. The scheme is currently under the ownership of the Department of Water and Environment Affairs.

Sanitation service level at the Big 5 False Bay municipality is presented below (DC 27, WSDP, 2007).

SERVICE LEVEL	% OF POPULATION
RDP and above	
Dysfunctional scheme	
Unreliable source	
Below RDP	

According to the Umkhanyakude's WSDP (2007), and based on the 2001 Census calculations, sanitation levels at the Umkhanyakude District are as follow:

Local Municipality	% of households below RDP	No. of households below RDP
KZ 271	85.4%	22 765
KZ 272	78.1%	27 130
KZ 273	65.4%	4 626
KZ 274	83.8%	22 852
KZ 275	48.5%	4 188

Considering the known coverage of sanitation services in the urban areas and communities in rural areas where VIP projects were implemented (WSDP, 2007). The findings are as follows:

Local Municipality	Percentage (%) of population below RDP
KZ 271	61.0%
KZ 272	66.0%
KZ 273	55.0%
KZ 274	73.0%
KZ 275	74.0%

2.6.5. ELECTRICITY

The Eskom coverage indicates that an adequate supply is available to the major town in Big 5 False Bay, which is Hluhluwe town and to the Big 5 False surrounding commercial farmlands. However there are deficiencies in the electrification grid in the deep tribal authority areas. Identified nodal areas are however relatively well served with electricity. According to the census 2001; only 32.6% of the total number of households has access to electricity for lighting. This translates to a 67.4% backlog in terms of electricity provision.

Municipality	DME, 2008 Total Households	DME, 2008 Household Access to Grid	DME, 2008 Household Access to Grid (%)	DME, 2008 Households below basic level of service /backlogs	DME, 2008 Households below basic level of service /backlogs (%)
KZ 271	28,955	1,840	6.4%	27,115	93.6%
KZ 272	37,394	5,223	14.0%	32,171	86.0%
KZ 273	6,866	2,091	30.4%	4,775	69.6%
KZ 274	29,971	11,220	37.4%	18,752	62.6%
KZ 275	8,739	7,734	88.5%	1,005	11.5%
ELECTRICITY DELIVERY STATUS, 2008					

2.6.7. ROAD AND TRANSPORT INFRASTRUCTURE ANALYSIS

The Municipality has a short supply of good all weather roads. This restricts the provision of some services such as waste removal. In addition, access to economic opportunities is also limited. The main problem in Big 5 False Bay is the lack of access experienced by rural communities as rural roads are not in a good condition.

Public transportation such as taxis and buses are most commonly used across the municipality. For those areas where road conditions are bad, informal transportation through mainly the bakkies is used.

2.7. MIGRATION ANALYSIS

There is no direct data on migration in The Big 5 False Bay. However, several other sets of data can be used to infer information on migration patterns. While gender imbalance is not that wide; there are however more females than males in the rural wards (wards 1, 2 and 4). The converse is true of ward 3. The likelihood is that the higher proportions of males in Ward 3 are farm workers or employed in the tertiary service sectors in Hluhluwe, who are technically living away from their original homes.

The workers are also most likely to have come from the rural wards of The Big 5 False Bay or from Mdletshe, the next closest non-urban settlement housing low-income communities in Hlabisa Municipality. Thus, in addition to income sources from other regions, incomes of the Big 5 False

Bay tribal areas are thus expected to be supplemented to some extent by remittances from the farms in ward 3. The Big 5 False Bay proportional age discrepancies in the working age categories could also be attributed to some extent to worker migration.

2.8. THE BIG 5 FALSE BAY SWOT ANALYSIS

SWOT			
Strengths	Weaknesses	Opportunities	Threats
Committed personnel	Absence of an IDP Manager. Although the IDP/PMS Unit is still new.	Agriculture	Illiteracy, education (children not attending school), teenage pregnancy, drugs, alcohol, crime, xenophobia,
Political stability	Small revenue base	Land development by Traditional Leaders	HIV/Aids
Strong relationship between TAs and council	Ageing infrastructure, especially that falls within the responsibility of the District	Rural development programmes	Rural nature of municipality
	Insufficient skilled personnel		Poor Waste management
	Poor implementation of PMS		Insufficient Recreational facilities
	Lack of Resources		Environmental factors (Drought, low rainfall, fire) - Disaster
	Non-functional internal audit		

2.9. COMMUNITY NEEDS IDENTIFICATION

The Following Community needs were Identified for 2011/2012 IDP, comparative to the 2010/2011 needs. It is worth noting that for some of these needs to be achieved; there has to be cooperation between the municipality and sector departments' responsible for the provision of service in relation to the identified needs.

WARD 1: MAKHASA	
2010/2011 Community Needs (Top 10)	2011/2012
<ul style="list-style-type: none"> ➤ Electricity ➤ Police Station ➤ <i>Cattle dams</i> ➤ Taxi rank ➤ MPCC ➤ Matric finishing school ➤ Sanitation ➤ <i>Community hall</i> ➤ Orphan care centre ➤ <i>Crèche</i> 	<ul style="list-style-type: none"> ➤ Electricity ➤ Police Station ➤ Cattle dams ➤ Taxi rank ➤ MPCC ➤ Matric finishing school ➤ Sanitation ➤ Community hall, eNyathini ➤ Orphan care centre ➤ Crèche , Mahongoza

WARD 2 : MNQOBOKHAZI	
2010/2011 Community Needs (Top 10)	2011/2012
<ul style="list-style-type: none"> ➤ Electricity ➤ Access roads (District Roads) ➤ High school ➤ Police station & Access to Policing facilities ➤ Finishing school and FET ➤ <i>Crèche (Bhekani area)</i> ➤ <i>Cattle dams</i> ➤ Clinic upgrade ➤ Water connection ➤ <i>Community hall (Nukamkhonto area)</i> 	<ul style="list-style-type: none"> ➤ Electricity ➤ Access roads (District Roads) ➤ Police station ➤ Taxi rank & public toilets Bhekani ➤ Market stalls ➤ Crèche, nakumkhonto ➤ Cattle dams ➤ Metric finishing school ➤ Water connections ➤ Water connection ➤ Community hall (Nukamkhonto area)

WARD 3 : HLUHLUWE & COMMERCIAL FARMS	
2010/2011 Community Needs (Top 10)	2011/2012
<ul style="list-style-type: none"> ➤ Water bourn sewerage and ponds ➤ Refuse removal site ➤ High school in Hluhluwe ➤ Maintenance of streets, circles, and street lights ➤ Informal trade market ➤ Public Ablution facilities ➤ DOT roads (Bushlands North/south) ➤ Crèche (Phumlani area) ➤ Housing for low income and middle income ➤ Water Quality. 	<ul style="list-style-type: none"> ➤ Clinic ➤ MPCC ➤ Taxi rank ➤ High school ➤ Policing & crime prevention ➤ Storm water drainage ➤ Refuse removal ➤ Low income housing & middle income housing ➤ Mobile clinic ➤ Water Quality. ➤ Street signage & road marking ➤ Crèche at False Bay

WARD 3 : NIBELA	
2010/2011 Community Needs (Top 10)	2011/2012
<ul style="list-style-type: none"> ➤ Electricity ➤ High School ➤ Community Hall/ Centre ➤ Mobile Clinic Shelter & Facilities ➤ Dam For Cattle ➤ Matric Finishing School ➤ Library ➤ Old Age Home ➤ Cell Mask/ Tower ➤ Crèche 	<ul style="list-style-type: none"> ➤ Electricity ➤ High School ➤ Community Hall@Bangizwe ➤ Mobile Clinic Shelter & Facilities ➤ Dam For Cattle ➤ Metric Finishing School ➤ Library ➤ Old Age Home ➤ Creche @Nqutshini ➤ Crèche @ Emadolweni

Clearly Electricity has overtaken water as a priority in the municipality. Water provision has come down to the issue of water quality, instead of connection. Educational facilities, such as high schools and finishing schools appear to be the main concern after electricity. In a nutshell The municipal-wide priority issues are identified as follow:

- Electricity;
- Water (quality);
- Education (High schools and finishing schools);
- Low-cost housing;
- Community facilities crèche, old-age home
- Storm water drainage
- Roads
- Cattle dams

STRATEGIC PHASE

Once the development analysis has been completed, and the municipal-wide priority needs have been identified; the next step is to come up with strategies to address the identified needs. This phase contains the vision and the mission statement of the municipality. In this phase previous municipal strategic objectives are revised and reviewed against the prioritised needs of the community. If need be, some of those strategies are discarded and new ones developed.

A vision statement is the picture of a municipality in the future; it is the municipality's inspiration and the framework for all strategic planning. The vision statement answers the question "Where do we want to go?" When creating a vision statement, dreams and hopes for the municipality are articulated, it reminds the municipality of what it is trying to build. It focuses on the municipality's future. A vision statement does not tell you how you are going to get there, but it sets the direction for the municipality's strategic and business planning.

The **VISION** of The Big 5 Municipality is:

"To be a competitive municipality that provides sustainable services to the community and attract investments"

In light of the vision, the **MISSION** of The Big 5 False Bay Municipality is:

"As a rural and urban municipality we commit ourselves to improve the quality of life of local communities through service delivery by providing equitable socio-economic development through the provision of infrastructure and municipal services in a democratic manner while maintaining a strong environmental ethos so that by year 2015 all backlogs will be eliminated"

3. DEVELOPMENT STRATEGIES

While The Big 5 False Bay Municipal strategies were reviewed and developed in order to address the identified needs of the community; these strategies were also informed and aligned to Provincial and National spheres; strategies. These include:

- Millennium Development Goals;
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and
- National Delivery Outcome Agreements (especially outcome nine (9) in relation to Local government and municipalities).

The Big 5 False Bay development strategies are based on 5 National Key Performance Indicators (KPI). In addition the municipality has added two more indicators that relate to environmental issues, and social development issues. This to highlight the importance of Environmental issues in the Municipal Strategic Framework, and the issues associated with social development.

The seven KPAs are listed below:

- Good Governance; Public Participation and Ward Systems;
- Improved Service Delivery and Infrastructure Investment;
- Sustainable Local Economic Development;
- Transformation and Institutional Development;
- Municipal Financial Viability and Management;
- Spatial Planning and Environmental Management; and
- Social Development.

The Big 5 False Bay Municipality has identified the following development strategies. These startegies are further developed into the Organizational Performance Management System (OPMS) whereby activities per strategy are identified and targets for the accomplishment of the activities are set. The Development strategies for the Big five False Bay municipality are as follow:

1. GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD SYSTEMS

- To promote participatory and transparent governance for the community, service providers and investors to function in the municipality.
- Prevention of corruption
- Promote community participation to the affairs of the municipality

2. IMPROVED SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

- To ensure the provision, upgrading and maintenance of Infrastructure and Services to address backlogs
- To ensure coordinated service delivery from all service providers
- To ensure housing development in line with community needs

3. SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT

- Ensure the functionality of the LED office
- To effectively pursue social & economic development
- To ensure creation of job opportunities

4. TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

- To strengthen organizational performance management system for improved service delivery & accountability to the communities.
- To effectively build and maintain institutional capacity

5. FINANCIAL VIABILITY & MANAGEMENT

- Efficient Revenue enhancement
- Resonance Supply chain management
- Efficient Budget management
- Sound Financial accounting & reporting

6. SPATIAL DEVELOPMENT & ENVIRONMENTAL DEVELOPMENT

- Ensure the sustainability and protection of the Municipality's Natural Resources
- To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof
- To ensure the provision of sustainable, affordable and suitably-located development

7. SOCIAL DEVELOPMENT

- To ensure social cohesion through the protection of the vulnerable; facilitation of special programmes for the children, youth, women and the aged.

PROJECTS PHASE

3. PROJECTS IDENTIFICATION

SPECIAL PROGRAMMES

Details	2011/2012	2012/2013	2013/2014
HIV Programme Campaign	R 150,000.00	R 165,000.00	R 181,500.00
Youth Programme	R 100,000.00	R 110,000.00	R 121,000.00
Events and Community	R 314,400.00	R 345,840.00	R 380,424.00
IDP Road Show	R 35,000.00	R 38,500.00	R 42,350.00
Community Participation	R 45,400.00	R 49,940.00	R 54,934.00
Total	R 644, 800.00		

INFRASTRUCTURE PROGRAMMES

Details	2011/2012	2012/2013	2013/2014
Phumulani Access Road	R 6,734,000.00	R 7,407,400.00	R 8,148,140.00
Nqutshini Creche	R 2,500,000.00	R 2,750,000.00	R 3,025,000.00
Electrification Phase 1	R 6,000,000.00	R 6,600,000.00	R 7,260,000.00
Sports Recreation	R 1,500,000.00	R 1,650,000.00	R 1,815,000.00
Total	R16, 734, 000.00		

INTEGRATION PHASE

This section outlines how the Big 5 False Bay holistically responded to the priorities issues that constitute the municipality's challenges. The major output of the Integration Phase is the integration of plans and programmes which include:

Financial Plan;

- Spatial Development Framework;
- Human Resources Strategy
- Employment Equity Plan;
- Housing Sector Plan;
- Waste Management Plan;
- Disaster Management Plan; etc

4. SECTOR PLANS

4.1. FINANCIAL PLAN

PURPOSE

The purpose of this document is to outline the comprehensive multi-year financial plan that will ensure long-term financial sustainability for the municipality. A multi-year financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base. It will also enable the municipality to move towards self-sufficiency in meeting the growing demands of service delivery.

The focus here is to outline the role forecasting as a critical tool of local government finance and to provide guidelines to strengthen local public finances in improving the financial management. In particular, proper financial management must: adequately control the total level of revenue and expenditure, appropriately allocate public resources among functional areas and programs, and, ensure that departments operate as efficiently as possible.

This Plan is prepared in terms of section 26(h) of the *Local Government Municipal Systems Act*, as amended, which stipulates that municipalities must prepare a financial plan as part of their Integrated Development Plan. The three-year Financial Plan includes an operating Budget and Capital budget, informed by the IDP priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP. The key benefit of financial planning and budgeting is that it gives stakeholders the opportunity to stand back and review their organizational performance and the factors affecting operational requirements.

These can include:

- Greater ability to make continuous improvements and anticipate problems
- Sound financial information on which to base decisions
- Improved clarity and focus
- A greater confidence in your decision making

In contrast with accounting records, which are retrospective, a financial planning or in simple terms budgeting is generally a projection of future revenues and expenditures. At a minimum, a financial plan is used to control financial transactions as well as a management and planning tool. Because local government provides services, forecasts are needed to plan for and control the receipt and expenditure of monies to meet these ends.

BACKGROUND

A financial plan is prepared for a period of at least three years, however it is preferred that it should be for over a period of five or more years. A multi-year financial plan is prepared to ensure financial sustainability of the municipality, paying particular attention to the municipality's infrastructure requirements.

It is also an important component of the municipality's Integrated Development Plan. A prudent multi-year financial plan identifies and prioritizes expected needs based on the municipality's Five-year Integrated Development Plan and details estimated amounts of funding from various sources

The multi-year financial plan will also ensure that the municipality has greater financial health and sustainability, making it easier to collaborate on projects with other levels of government and various public and private stakeholders. This will further enhance the ability of the municipality to have access to more financing, funding and grants.

Municipalities require access to adequate resources and budgetary powers to fulfill their assigned functions. Municipalities need to have access to adequate sources of revenue – either own resources or intergovernmental transfers – to enable them to carry out the functions that have been assigned to them.

Municipalities should be encouraged to fully exploit these sources of revenue to allow for realistic planning and should ensure efficient allocation of these financial resources. The rural nature of the municipality and the fact that 95% of all land are under Tribal Management have a serious affect on the revenue base. Tribal land is exempted from property rates with the effect that the Councils revenue collected from property rates are very limited.

LINKING THE IDP AND THE BUDGET

The general principle in constructing a municipal budget is that the developmental policy proposals that are contained in the IDP of the municipality must be cost and budgeted for. Having looked at the municipality's IDP, you may want to verify whether priority issues have also been budgeted for in alignment with the IDP documentation. This information should, at least to some extent, be found in the municipality's budget.

Alignment for the capital budget to the IDP occurred mostly at a project level and not necessarily at a strategic level. Having undertaken an assessment of spending patterns against IDP Priorities, it was found that the IDP and the Budget (Operating and capital) is actually more aligned to the IDP than originally expected. But, the allocation of the budget (operating and capital), is something that need to be addressed through the development of a prioritization/allocation model against IDP priorities aligned to financial strategies.

FINANCIAL STRATEGY FRAMEWORK

Big 5 False Bay Municipality is a developing and growing municipality striving for service delivery excellence. Therefore many challenges are faced with regards to financial planning and are ever changing due to the dynamic setting of local government

The priority for the municipality, from the financial perspective is to ensure viability and sustainability of the municipality. The multi-year financial plan and related strategies will therefore need to address a number of key areas in order to achieve this priority. These strategies are detailed below:

Revenue Enhancement Strategy

- To seek alternative sources of funding;
- Expand income base through implementation of new valuation roll;
- The ability of the community to pay for services;
- Identification and pursuance of government grants;
- Tightening credit control measures and debt collection targets;
- Improve customer relations and promote a culture of payment;
- Realistic revenue estimates;
- The impact of inflation, the municipal cost index and other cost increases; and
- The creation of an environment which enhances growth, development and service delivery.

Asset Management Strategy

- The implementation of a GRAP compliant asset management system;
- Adequate budget provision for asset maintenance over their economic lifespan;
- Maintenance of asset according to an infrastructural asset maintenance plan;
- Maintain a system of internal control of assets to safeguard assets; and
- Ensure all assets owned and/or controlled except specific exclusions are covered by insurance.

Financial Management Strategies

- To maintain an effective system of expenditure control including procedures for the approval, authorization, withdrawal and payment of funds;
- Preparation of the risk register and application of risk control;
- Implement controls, procedures, policies and by-laws to regulate fair, just and transparent transactions;
- Training and development of senior financial staff to comply with prescribed minimum competency levels;
- Implement GRAP standards as gazette by National Treasury; and
- Prepare annual financial statements timeously and review performance and achievements for past financial years.

Operational Financing Strategies

- Effective cash flow management to ensure continuous, sufficient and sustainable cash position;
- Enhance budgetary controls and financial reporting;
- Direct available financial resources towards meeting the projects as identified in the IDP; and
- To improve Supply Chain Management processes in line with regulations.

Capital Financing Strategies

- Ensure service delivery needs are in line with multi-year financial plan;
- Careful consideration/prioritization on utilizing available resources in line with the IDP;
- Analyze feasibility and impact on operating budget before capital projects are approved;
- Determine affordable limits for borrowing;
- Source external funding in accordance with affordability;
- Improve capital budget spending; and
- Maximizing of infrastructural development through the utilisation of all available resource.

Cost-Effective Strategy

- Invest surplus cash not immediately required at the best available rates;
- Restrict capital and operating expenditure increases in relation to the inflation rate taking into consideration the macro economic growth limit guideline and municipal cost increases.
- To remain as far as possible within the following selected key budget assumptions:
 - Provision of bad debts of at least
 - Overall cost escalation to be linked to the average inflation rate;
 - Tariff increases to be in line with inflation plus municipal growth except when regulated;
 - Maintenance of assets of at least 6% of total operating expenditure;
 - Capital cost to be in line with the acceptable norm of 18%;

Measurable Performance Objectives for Revenue

- To maintain the debtors to revenue ratio below 10%;
- To maintain a debtors payment rate of above 90%;
- To ensure that the debtors return remain under 40 days; and
- To keep the capital cost on the Operating Budget less than 18%.

Financial Management Policies

The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget related policies:

- **Tariff Policy** – the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000;
- **Rates Policy** – a policy required by the Municipal Property Rates Act, Act 6 of 2004. This policy provides the framework for the determination of rates;
- **Indigent Support Policy** – to provide access to and regulate free basic services to all indigents;
- **Budget Policy** – this policy set out the principles which must be followed in preparing a Medium-Term Revenue and Expenditure Framework Budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- **Asset Management Policy** – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment;

- **Accounting Policy** – the policy prescribes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognized Accounting Practices and Accounting Standards;
- **Supply Chain Management Policy** – this policy is developed in terms of Section 11 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services
- **Subsistence and Travel Policy** – this policy regulates the reimbursement of travelling and subsistence cost to officials and councilors attending official business
- **Credit Control and Debt Collection Policy** – this policy provides for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.
- **Investment Policy** – this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible
- **Short-term Insurance Policy** – the objective of the policy is to ensure the safeguarding of Council's assets

REVENUE FRAMEWORK

In order to serve the community and to render the services needed, revenue generation is fundamental to financial sustainability of every municipality. The reality is that we are faced with developmental backlogs and poverty, challenging our revenue generation capacity. The requests always exceed the available funds. This becomes more obvious when compiling the municipality's annual budget.

Municipalities must table a balanced and more credible budget, based on realistic estimation of revenue that is consistent with their budgetary resources and collection experience. The revenue strategy is a function of key components such as:

- Growth in town and economic development;
- Revenue enhancement;
- Achievement of above 90% annualized collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within National Electrification Regulator of South Africa (NERSA) approval;
- Approval of full cost recovery of specific department;
- Determining tariff escalation rate by establishing/calculating revenue requirement; and
- Ensuring ability to extent new services and recovering of costs thereof

The South African economy is slowly recovering from the economic downturn and it will still take some time for municipal revenues to increase through local economic growth. Consequently cash flows are expected to remain under pressure for the 2010/11 financial year and a conservative approach is followed to project expected revenues and cash receipts. The following table is a high level summary of the projected revenue for the municipality over the medium term:

DESCRIPTION	APPROVED BUDGET 2010/2011	BUDGET 2011/2012	BUDGET 2012/2013
Property Rates	4 500 000	5 731 682	6 152 042
Refuse Removal	745 480	769 854	817 584
Grants and subsidies	12 244 965	14 636 000	16 001 000
Rental of facilities	50 000	63 360	71 200
Interest on investments	50 000	173 340	211 450
Traffic fines	985 420	25 000	125 000
Licences and Permits	21 000	21 000	22 302
Total	18 596 865.00	21 420 236.00	23 400 578.00

GRANT FUNDING

The Division of Revenue Act contains allocations from National and Provincial, which allocations are recognized as government grants and factored as follows over the medium term:

	MEDIUM TERM FINANCIAL PLAN				
	FULL FORECASTS 2010/2011	YEAR 2011/2012	BUDGET 2011/2012	FORECAST 2012/2013	FORECAST 2012/2014
OPERATIONAL GRANTS					
Equitable Share	9 876 000	12 396 000	13 701 000	14 599 000	
FMG	1 200 000	1 450 000	1 500 000	1 750 000	
MSIG	750 000	790 000	800 000	900 000	
Library services	544 000	586 000	600 000	630 000	
Human settlements establishment					
CAPITAL GRANT					
MIG					
Electrification grant	6 000 000		30 000 000		
Sports and Recreation	1500 000				

Big 5 False Bay Municipality derives its revenue from the provision of services such refuse removal. A considerable portion of the revenue is also derived from property rates and grants by national governments as well as other minor charges such as traffic fines.

As in the past, increase cost primarily driven by the Consumer Price Index (CPIX), dictates an increase in the tariffs charged to the consumers and the ratepayers. It therefore follows that all the tariffs will have to be increased by a percentage in line with the forecasted CPIX estimated at 4.2% plus 3% for the 2011/12 financial year and 5.3% and 5.5% for the 2012/13 and 2012/13 financial years

It is realized that the ability of the community to pay for services rendered is also under tremendous pressure and that the economic outlook for the near future require everybody to make sacrifices. The additional revenue that will be generated through tariff increased has to ensure continued service delivery.

The latest figures released by Stats SA indicate contractions in several spheres of the economy and this confirms that the disposable income of households remain under a lot of strain. By drastically increasing tariffs on essential commodities, more strain will be added for the already cash stripped resident households

Increases beyond the CPIX included in the medium term will only add to bad debt which is already high and a decline in the cash flow. It must be kept in mind that household cash flow will definitely be strained by tariff increase of ESKOM. The outcome of the increases in tariffs (Revenue) on different revenue categories is as follows:

DETAILS	2010/2011 PROPOSED TARIFF	2011/2012 TOTAL BUDGET REVENUE R
Property Rates :Agriculture		1 727 192
Residential	0.011	1 403 514
Commercial	0.12	1 197 192
Public Service	0.00275	513 370
Specialized	0.013	513 370
Refuse Removal :		
Commercial	800	556 800
Residential	115	309 800
Rental of facilities :		
Hire of Halls	1 000	43 000
Hire of Activity Rooms	220	63 360
Solid Waste		
Tender documents	263	25 000
Rates Clearance Certificate	60	3 000
Cemetery site	1 000	10 000

From the household perspective, how much more will be paid in rand is of more interest that the 7 % increase in the various tariffs and rates

The implementation of the Credit Control and Debt Collection Policy, particularly with regards to the appointment of the Debt Collection Agency will aid in ensuring that the municipality reverts back to its collection rate of 90% and above. It is however envisaged that with the pressure on tariff increases to fund the medium term budget, the payment rate will become under pressure and special attention will have to be paid on managing all revenue and cash streams especially debtors.

The Equitable Share allocation is mainly used to provide free basic services to approximately 700 indigents. Indigent support provided is as follows:

INDIGENT AND FREE BASIC SERVICES	PER HOUSEHOLD	RAND AMOUNT
Free basic electricity per month	R34.95	R24465
Free refuse removal per month	R35.00	R24500

EXPENDITURE FRAMEWORK

Some of the salient features and best practice methodologies relating to expenditure include the following:

- Asset renewal strategy (infrastructure repairs and maintenance a priority)
- Balanced budget constraint (expenditure cannot exceed revenue)
- Capital programme aligned to asset renewal strategy
- Operational gains and efficiencies resulting in additional funding capacity on the capital programme as well as redirection of funding to other critical areas, and
- Strict principle of no project plan (business plan) no budget allocation (funding allocation)

The following table is a high level summary of the projected expenditure for the municipality over the medium term period and aligned to the IDP.

	MEDIUM TERM FINANCIAL PLAN				
	FULL FORECASTS 2010/2011	YEAR 2011/2012	BUDGET 2011/2012	YEAR 2012/2013	FORECAST 2012/2014
EXPENDITURE BY TYPE					
Employee related Costs	7 330 686	10 281 123	11 309 235	12 440 159	
Remuneration of Councilors					
General Expenditure	1 204 900	1 330 560	1 463 616	1 609 978	
	5 415 072	3 689 046	4 057 950	4 463 745	
Capital expenditure	9 447 000	16 734 000	41 228 000	118 450 000	
Depreciation	568 000	200 000	210 000	222 183	

CAPITAL REQUIREMENTS AND FUNDING

The following table indicates the projected Medium-term Capital requirements per Department. These figures are based on the projects identified through the IDP process project phase and reflect estimated amounts based on the availability of funding. It is imperative that capital budgets are prioritized to reflect consistent efforts to address backlogs in basic services and the refurbishment and expanding of existing infrastructure.

It is important to realise that these figures are only indicative of the different services and may vary as priorities change. From the above it is clear that for the next three years many challenges lie ahead to appropriate capital expenditure towards available sources of funding and to obtain alternative funding sources to address the needs as identified in the IDP. In terms of infrastructure development and to reach the government service delivery targets, 85% of the capital programme has been allocated for this purpose. The projected sources of funding over the medium term have been carefully considered.

CONCLUSION

The continued improvement and development of an effective financial planning process aids the actualization of fulfilling its facilitating role to capacitate the community to build a prosperous future for all. The Financial planning imperatives contribute to ensuring that the Municipality remains financially viable and that municipal services are provided economically to all communities. The Multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation.

The strategy towards cash backing will certainly ensure the sustainability of the Municipality over the medium-to long-term. The Big 5 False Bay Local Municipality is currently fully reliant on grant funding to address the huge backlog in infrastructure. It is not possible at this point in time to take up further loans due to the high level of outstanding debtors. This then also impacts on the Council's ability to address revenue allocation for previously un-serviced areas from internal revenue.

4.2. THE SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The SDF for the municipality, as a forward planning document, is informed by a number of current trends as well as the municipal strategic focus areas. The strategic focus areas of the municipality that have an impact that can be effected and presented spatially are depicted hereunder:

- **To create an enabling environment for effective service delivery**
- **To actively pursue social and economic development**
- **To maintain a strong environmental focus**

The SDF for Big 5 False is based on land use and natural features (as well as existing community facilities), the transportation network and nodes, i.e. areas of development or investment. Future development proposals around these are informed by the strategic focus areas listed above.

Land uses and natural features in and adjoining the municipal area that are significant from a spatial development perspective are the Isimangaliso Wetland Park, Private Game Reserves as well as District Reserves (UMkhanyakude DMA). The population density map shows that the areas listed above have very low population densities as well. The distribution of community facilities (namely schools and clinics) clearly follows the areas of highest population density and is not located in these areas of environmental significance.

From a spatial development perspective these areas are protected by way of an *Interface Area* that buffers the areas of environmental significance from extensive development intrusion. Rather, limited agriculture and eco-tourism is suggested to be undertaken in these interface areas.

Strategic Focus Area: To maintain a strong environmental focus

With regard to the Transportation Network the SDF does not indicate corridors but rather transport routes with a distinction between the type of transport network. Thus, there is caution not to identify corridors that may be perceived to be promoting ribbon development. The following type of transport routes are identified in the SDF

Strategic Focus Area: To pursue social and economic development

Primary Corridor

The N2 and the LSDI Road are national roads or *Primary Corridors*, as per the PSEDS. They present the municipal area with development potential in that they provide access to areas with development potential by way of other non-national roads that intersect with them. Access off these roads is not readily attained or permissible. The N2 in particular (and the LSDI road to a smaller degree) carries larger volumes of traffic than the other roads through the municipal area at higher travelling speeds.

As such, the N2 and the LSDI are classified in terms of the SDF as Main Transport Routes. Importantly, these routes have limitations on the distance (not only access) of development from them by way of road building lines. These have to be abided by for safety purposes and the fact the infrastructure services are in the road reserve of the LSDI road in particular.

Secondary corridor

There are a number of Tourism Routes or *Secondary Corridors* as per the PSEDS, identified in the SDF as well.

The first one is the P466. It primarily provides access to the various private game reserves located in the northern portion of the municipal area between the N2 and the LSDI road. This area described above is referred to as a "Management Area" in the draft rural LUMS. A variety of tourism and recreational related activities take place in this area that need to be managed in terms of the appropriate legislation.

Secondly, the route from Hluhluwe in a westerly direction, across the N2, towards the northern entrance of the Hluhluwe Umfolozi Game Reserve is proposed as a tourism route in the SDF. A portion of this route is the entrance into Hluhluwe town from the N2.

The circular route that provides access to the False Bay and numerous private resorts to the west of Lake St Lucia is also a very important tourism route in the SDF.

Tertiary Corridor

A route that is considered to be a Lover Tourism and Community Access route or Tertiary Corridor is the route that provides access from KwaMduku to Nibela (in a south easterly direction) and towards Mnqobokasi in the north. It is the proximity of the area that is served by this route to Lake St Lucia and the Greater St Lucia Wetland Park that has contributed to its proposed tourism route status. The area referred to has inherent tourism potential.

Access to the various private game reserves is also gained from KwaMduku in a westerly direction as shown on the SDF map as well.

Strategic Focus Area:

- **(3) To pursue social and economic development and**
- **(2) To create an enabling environment for effective service delivery**

Areas of development or investment (nodes) have also been identified in the SDF. Bearing the guiding principles in mind that have been expanded upon earlier in this report, the following areas are considered in more detail:

-  **Hluhluwe Town (Including Phumlani) (Major Development Area or *Primary Node*)**
-  **KwaMduku Rural Node (Economic and Social Development Area or *Secondary Node*)**
-  **Nibela Rural Node (Social and Tourism Area or *Tertiary Node*)**
-  **Mnqobokasi Rural Node (Economic and Social Development Area or *Secondary Node*)**

Primary Node

The town of Hluhluwe remains the major development area (from an urban perspective) in the municipal area. The town is at the gateway to the LSDI road, close of the N2 and an existing service centre to the commercial farming community.

The town provides its catchment with a wider variety of social and administrative services as well as community facilities than the other urban nodes in the municipality. From a spatial development perspective, development in and around the town of Hluhluwe should focus on infill and densification, thereby ensuring the maximum use of infrastructure and services. It is also important that critical maintenance to the town's infrastructure is done to ensure it maintains its important development role.

Seconday Nodes

The KwaMduku Rural Node is the major economic (from a commercial and value adding perspective) and social node in the rural areas of the municipality. It is classified as such given its locality on the LSDI road and the fact that access to both the Nibela Peninsula and the Phinda Game Reserve is gained from it. There are already a number of developments in the node with a major sport stadium being developed.

There is also increasing pressure for the further development of the node as its economic and social roles are recognized by the community and investors alike. As such, it is imperative that a framework for the development of the KwaMduku Node be prepared in the short term to ensure the orderly (and sustainable) development of the node. This framework plan will also have to provide guidelines in terms of access to developments adjoining the LSDI road.

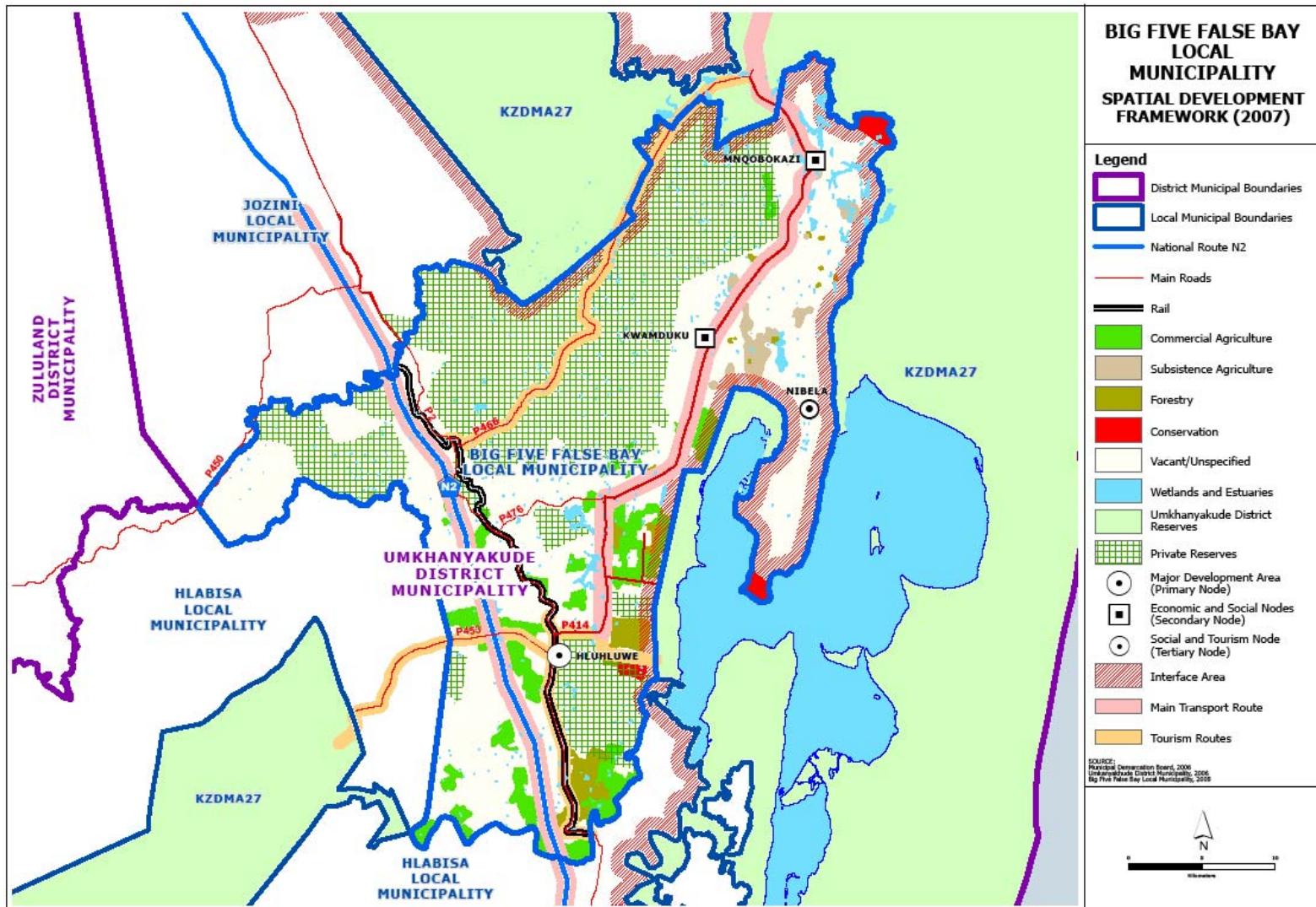
The Mnqobokasi Rural Node is the minor economic (commercial and value adding) and social node in the municipality. It has similar characteristics than the KwaMduku Node but does not have the same development pressure and extent. It is also located along the LSDI road but is not at such an important intersection of the KwaMduku Node. While the development of a framework for the node is also important it should follow the KwaMduku node framework. As with the KwaMduku Node, the node has a large catchment community that relies on the social services accessible at the node.

Tertiary Node

With regard to the nodal development of Nibela it is important to recognize that, although many people live in the area, the area is more isolated (in terms of access) than the economic and social nodes. However, the area has significant tourism development potential. As such, the Nibela node is classified as a social and tourism node. The node has a definite role to provide social services to the community while it is likely that only limited economic activity would be sustainable in the node given its location. At present, a process is underway to investigate and propose delineation for the node along with land use management guidelines.

Wayforward

The SDF will be reviewed during 2011/2012 FY. The review process will be driven in-house. The District Municipality through Development Planning Shared Services will drive the review process.



4.3. HOUSING SECTOR PLAN

The Housing Sector Plan for The Big 5 False Bay Local Municipality was developed in 2009. It has never been reviewed since. The existing housing sector plan is summarized below:

PRIORITIZED HOUSING PROJECTS

At present, the Big 5 False Bay Local Municipality has no fully completed housing projects although three rural housing projects have been approved for implementation by the Provincial Housing Department. The rural housing projects that have been approved are in Wards 1, 2 and 4, covering the total area of each ward. The projects are *in-situ* projects, and have already commenced with construction.

One Slums Clearance Project, adjacent and to the east of Hluhluwe town is awaiting approval from the Provincial Housing Department. The Municipality has appointed four (4) housing implementing agents to establish housing development within the municipality. The application for these housing projects was done in terms of the Department of Local Government and Traditional Affairs: Assessment of In-Situ Housing Projects on Ingonyama Trust Land Information Document, (September 2005). This report seeks not to duplicate the work that is already done by implementing agents.

HOUSING PROJECTS LINKED TO HOUSING DEMAND

The current housing demand (see Section 5 above) is estimated at 3089 units. This demand is only for people residing in traditional and informal dwellings, as per the findings of the 2007 Community Survey conducted by StatsSA.

The Provincial Housing Department has already approved the development of 3000 rural *in-situ* units. It has also approved, in principle, the replacing of informal units, in terms of its Slums Clearance Programme, with 500 formal housing units. Thus, 3500 units are currently catered for, of which 3000 is already under construction.

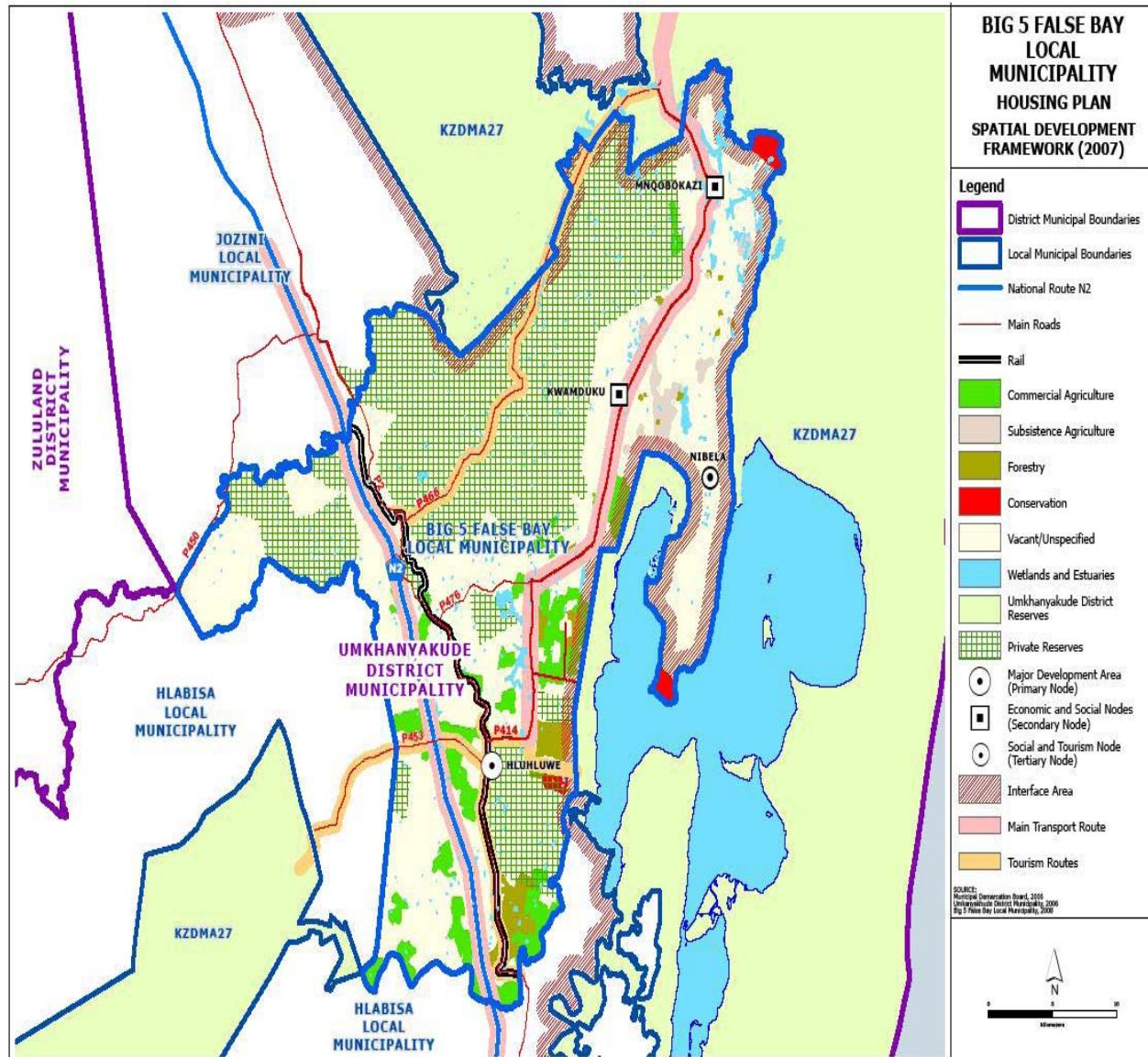
AREAS SUITABLE FOR HOUSING DEVELOPMENT

It is proposed that the following areas be excluded as possible suitable green field housing development sites:

- Areas that are further than 30 minutes travel time, by public and other transport, from main roads;
- Areas that are further than 30 minutes travel time, by public and other transport, from development nodes;
- Areas that are further than 20 minutes travel time, by public and other transport, from facilities and other areas;
- Areas where the population density is less than 80 people per km².

It should be noted that high potential agricultural land (Class 1,2 And 3) has been excluded from the criteria since it will render more than 75% of the municipal area unsuitable for housing development, whilst the remaining 25% has an Irreplaceability Index > 0.8 (Refer to Land Capability Classification map below).

THE BIG 5 FALSE BAY MUNICIPALITY (2011/2012 IDP REVIEW)



OTHER FACTORS INFLUENCING HOUSING DEVELOPMENT

An important factor that has to be addressed as part of the development of a housing sector plan is that a set of criteria has to be developed to inform decision making around housing provision . particularly possible green field housing development. This section therefore focuses mainly on the latter, since it is considered that .in-situ rural housing projects do not affect the status quo . an existing a traditional or an informal dwelling is merely replaced.

FACTORS INFLUENCING GREEN FIELD HOUSING DEVELOPMENT AREAS

Dense Settlements/Population Density Classification

It is considered that areas with the highest number of households or population density should be where housing development should first be focused. This includes both green field and .in-situ. housing projects. A concentration of development makes scarce resources accessible to a maximum number of people. This could contribute towards financially feasible development and will allow for the economies of scale with regards to service provision. In addition, population density also plays a significant role in determining where housing development could occur.

Environmental Factors

No green field Housing Development should be permitted to take place on wetlands, reserves and conservation areas. A large area to the north-east within the municipal area municipality is classified as Private Reserves. A relatively large area to the north-west in the municipal area is classified as irreplaceable, whilst the area to the immediate north-east of Mnqobokazi node is taken up with wetlands.

Fortunately minimal residential settlement or development has taken place in these areas. In areas where residential development is adjacent to high potential agricultural land or where residential settlement has already taken place Big Five False Bay Housing Sector Plan July 2009 29 on such land, careful in-situ settlement and agricultural planning should take place and communal agricultural activities should be promoted in order to fully optimize the agricultural potential in the area. No further green field residential settlement should be encouraged.

INTEGRATION WITH OTHER SECTORS

As it has been shown throughout this document, an integrated approach to housing development is not just about bricks and mortar. A holistic approach to housing development will take into consideration *inter alia*:

- Provision of municipal infrastructure and services;
- Access to social services and economic opportunities; and
- Alignment of housing plan with other Municipal plans strategies such as the Integrated Development Plan, Spatial Development Frameworks and Land Use Management.

Therefore the delivery of projects must be coordinated between departments, through the municipality's IDP. This proposed integration is an ongoing process which should inform municipal planning at large and it will require communication amongst the various Municipal Departments and other service providers to ensure that integrated human settlements are developed. The municipal housing officials' role is to ensure that all of the departments are aware of the planned and proposed developments and that funding is coordinated to ensure maximum development benefits. At a basic level, this plan should ensure that MIG funding is correctly coordinated with the proposed delivery of housing over the next five years.

Although this plan does give an some indication of the level of services and facilities available in the different communities of Big 5 False Bay, it is hoped that further coordination of relevant sector departments such as education, economic development, social services health etc. will be cultivated so as to ensure that the proposed projects in this plan are implemented in an integrated and sustainable manner.

4.4. LAND USE MANAGEMENT PLAN

A draft Land Use Management Framework Plan that also serves as the Rural Town Planning Scheme for the municipality, has been prepared that proposes the following zones.

- Agriculture
- Education
- Medium Impact Mixed Use
- Management Area
- Traditional Settlement
- Existing and future movement corridors
- Existing Railways
- National Parks and Equivalent Reserves
- Communications Towers

The following comments should be noted:

- ✚ The extent of the Hluhluwe Town Planning Scheme area is indicated as a town planning scheme area and has its own zonings and land development controls.
- ✚ The Management Area is defined and has its own policy statements and recommended land management controls.
- ✚ In each of the three Traditional Authority Areas, the Department of Housing is in the process of initiating rural housing projects. These projects will include the preparation of settlement plans that will, once completed, become formal zoning plans that form part of the Municipal LUMS.

The following descriptions for the rural zones referred to on the previous page are expanded upon hereunder out of the draft Land Use Management Framework Plan:

Agriculture	The primary purpose of this zone is to protect land agricultural land within the greater municipal area. The zone is to ensure that agricultural land is utilized in accordance with national legislation and regional policy guidelines related to sustainable development, agricultural production and natural resources.
Existing Roads	This zone shows the major existing roads that have structured and affect land use patterns in Big 5 False Bay Municipality.
Existing Railway	Shows the existing railway and other structural features of the municipality.
Management Area	This zone is in close proximity to the town of Hluhluwe and is located between the Mzinene River to the west and north and the Greater St

	<p>Lucia Wetland Park (GSLWP), a World Heritage Site to the east. This area is designated as 'Mixed Use Tourism' in the IDP and has had numerous development inquiries and applications for residential and holiday accommodation.</p> <ul style="list-style-type: none"> - The intention of this zone is firstly, to prevent urban sprawl, secondly to carefully assess the potential impact of any proposed development on this land adjoining the GSLWP, a World Heritage Site, and thirdly to try to ensure a range of tourist accommodation for all income groups. Assessing the economic potential of development in any area is difficult especially if those doing the assessing are carrying no commercial risk. For this reason the controls have been designed to ensure that the environmental impact of proposed developments remains a priority in assessing proposals in this zone. - To avoid the creation of high land values that result from identifying nodes for development of agricultural land each development application must be subject to an environmental scoping report subject to a Record of Decision from the Department of Agriculture and Environmental Affairs before development can be approved. - The area has been intensively subdivided over the years and includes many subdivisions less than 10Ha in extent. The intention is to limit development in this area to low density developments that will provide accommodation and options for eco-tourism ventures but preserve the sense of place. - The agricultural suitability of land in this zone is rated as moderate and the vegetation of this bioresource group in this area is sandy bush and palm veld with extensive farming (Bioresource Program KZN). - It is also recommended that the high capital costs of developing tourist accommodation be investigated with a view to developing a government assisted loan policy to assist the development of tourist oriented accommodation.
Medium Impact Mixed Use	<p>This zone is to encourage the development of a central business district in the SERC's in Makhasa and Mnqobakazi and the Opportunity Node in Nibela. All development required in urban areas that serve the adjoining rural areas is encouraged to locate in these mixed use areas so that in the future it will ultimately be possible for the authorities in the area to service them on a sustainable basis.</p> <ul style="list-style-type: none"> - For the reasons outlined earlier discussions held with the Traditional Authorities, to develop acceptable methods of incorporating them into existing land management procedures and the proposed LUMS, were not successful. It is suggested that negotiations between the Councilors and the Traditional Authorities be commenced as soon as possible. There is a need to establish a mutually agreed administrative mechanism in the short term to ensure that changing land use information from the Traditional Areas, whether authorized in terms of development legislation or not, is included in the land use information database of the

	<p>municipality.</p> <ul style="list-style-type: none"> - This mechanism could ensure that land use allocations and changes made in the Traditional Areas are passed on to the municipality. This would ensure that the actual ongoing land uses in these areas can be recorded in the municipality's land use information database even though the formal legal processes for integrating land allocation procedures in the Traditional Areas have not yet been established. This information will be extremely valuable to all authorities involved in development and can only improve future land development decisions. It is not suggested that any laws be flouted by any authorities and applications of any uses requiring approval from government authorities must be made.
National Parks and Equivalent Reserves	This zone recognizes all existing Game Parks in the municipal area. The parks are all managed by competent public or private authorities and have controlled public access.
Education	The location of the existing schools throughout the rural areas of Big 5 False Bay are shown where the scale of the LUMFP permits.
Communication Towers	The position of telecommunication towers are indicated on the LUMFP.

The summary of the Big 5 False Bay municipality's sector plans and their respective statuses is outlined below:

DESCRIPTION	STATUS OF THE PLAN
Financial Plan	To be reviewed
Spatial Development Framework	To be reviewed
Housing Sector Plan	Developed in 2009
Performance Management system	Developed in 2010
Local Economic Development plan	Developed in 2009
Public communication strategy	To be reviewed
Workplace skills plan	To be reviewed
Human resource strategy	To be reviewed
Indigent policy	To be reviewed
Environmental management plan	In the development process
Tourism Development plan	Developed in 2009
Agriculture development plan	Developed in 2009
HIV/AIDS Strategy	To be reviewed

IMPLEMENTATION PHASE

5. ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)

The crux of an IDP is in its implementability, and as such it is important to have an implementing monitoring system to ensure that all activities are directed towards attainment of the goals set within the IDP. As such The Big Five False Bay Municipality has adopted a performance Management System based on the prescribed National Key Performance Areas. Central to the system is its ability to fully integrate and align the IDP, performance management (both organizational and employee) and budget (SDBIP)

The Performance Management System will be reviewed and adapted as needed to ensure continuous improvements and changes are made according to changing circumstances and actual implementation of projects or initiatives. The strategy and IDP needs to be translated in measurable Key Performance Indicators that need to ensure achievement and to optimize service delivery. This will require the municipality to identify targets for each KPI's which will be used to manage and monitor the implementation of strategies as identified.

The development of the organizational performance management system therefore has an imminent impact on the IDP Review process. The performance management system provides the framework to ensure the IDP gets measured and implemented. The methodology and processes followed within The Big Five False Bay Municipality provides for the alignment of the performance management system with the identification, implementation, and measurement, monitoring and reporting on measurable outcomes not only on employee but also on organizational level.

The Strategic Key Performance Indicators of The Big 5 False Bay Municipality that are depicted in the OPMS below will form part of the Council's Scorecard which will assist in the reporting of the performance of the municipality as a whole and the Municipal Manager is being made accountable for the achievement of the identified Targets. As allude earlier, this OPMS is based on the National Key Performance Areas (KPAs), and will inform the development of the Departmental Service Delivery Implementation Plans (SDBIPs). These are:

1. GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD SYSTEMS

- To promote participatory and transparent governance for the community, service providers and investors to function in the municipality.
- Prevention of corruption
- Promote community participation to the affairs of the municipality

2. IMPROVED SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

- To ensure the provision, upgrading and maintenance of Infrastructure and Services to address backlogs
- To ensure coordinated service delivery from all service providers
- To ensure housing development in line with community needs

3. SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT

- Ensure the functionality of the LED office
- To effectively pursue social & economic development
- To ensure creation of job opportunities

4. TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

- To strengthen organizational performance management system for improved service delivery & accountability to the communities.
- To effectively build and maintain institutional capacity

5. FINANCIAL VIABILITY & MANAGEMENT

- Efficient Revenue enhancement
- Resonance Supply chain management
- Efficient Budget management
- Sound Financial accounting & reporting

6. SPATIAL DEVELOPMENT & ENVIRONMENTAL DEVELOPMENT

- Ensure the sustainability and protection of the Municipality's Natural Resources
- To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof
- To ensure the provision of sustainable, affordable and suitably-located development.

7. SOCIAL DEVELOPMENT

- To ensure social cohesion through the protection of the vulnerable; facilitation of special programmes for the children, youth, women and the aged.

KPA 1: GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD SYSTEMS

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY
To promote participatory and transparent governance for the community, service providers and investors to function in the municipality.	Develop a new IDP (2012/13).	Draft IDP submitted to KZN-COGTA	30 March 2012	Office of the MM
		Council approved IDP	30 June 2012	
		Council approved 2012/13 IDP process Plan	30 August 2011	
	Regular meetings with traditional authorities	Number of meetings	3 meetings by 30 June 2012	
Prevent corruption	Review an anti corruption strategy	Council approved anti-corruption strategy	31 October 2011	Corporate & Community services
Promote community participation	Induction of new council, ward committees.	Number of induction workshop/meetings	5 meetings by 30 August 2011	Corporate & Community services
	Staging of IDP-RF meetings	Number of meetings	4 meetings by 30 June 2012	Corporate & Community services
	Staging of IDP/Budget consultative meetings	Number of meetings	4 meetings by May 2012	Corporate & Community services

KPA 2: IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY	
To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs	Develop and Maintain an effective Project Management Unit to manage MIG function	Project progress Reports submitted to Council	10 monthly reports submitted by 30 June 2012	Planning, Dev & Technical services	
	Develop a maintenance plan for the community facilities and municipal assets	Business Plan for the Development of a Maintenance Plan	A complete business plan by 31 August 2011		
	Implement a maintenance plan for the community facilities and municipal assets	Quarterly progress reports submitted to the Council	4 reports by 30 June 2012		
	Upgrade 3 sports facilities	Quarterly reports on the upgrading of identified community facilities and infrastructure	4 reports by 30 June 2012		
	Upgrade 3 crèches				
	Upgrade 3 community halls				
	Upgrade 3 km surfaced road				
	Upgrade 3 km gravel road				
To ensure coordinated service delivery from all service providers	Development of a Municipal Integrated Waste Management plan	Council-approved MIWMP	30 June 2012		
	Enter into Service Level Agreements with respective service providers in the municipal area	Letters of intent and Response from Service Providers. (Eskom & DC27) & signed SLA's where possible.			
To ensure housing development in line with community needs	Review the housing development plan	Council adopted housing plan	30 June 2012		

KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY
Ensure the functionality of the LED office	Fill the vacant post of an LED Manager	Appointment of an LED Manager	November 2011	Corporate & Community Services
	Staging of LED Forum meetings	Number of meetings	4 meetings by 30 June 2012	Corporate & Community Services
To effectively pursue social & economic development	Develop business plans for programs identified in the LED strategy	Number of business plans		Corporate & Community Services
To ensure creation of job opportunities	Creation of job opportunities through LED projects	Number of job created	100 jobs by 30 June 2012	Corporate & Community Services
	Creation of jobs through EPWP	Number of jobs created	100 jobs created by June 2012	Corporate & Community Services

KPA 4: TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY
To strengthen organizational performance management system for improved service delivery & accountability to the communities	Review of OPMS	Council-adopted reviewed OPMS	31 July 2011	Office of the MM
	Cascade performance management to staff below senior management	Council- approved	31 Aug 2012	
	Establishment of M& E unit	Council-approved M&E Unit	30 June 2012	
To effectively build and maintain institutional capacity	Develop a recruitment policy	Council-approved recruitment policy	30 November 2011	Corporate & Community services Department
	Develop a retention strategy	Council-approved retention strategy	30 November 2011	
	Filling of critical posts	Number of posts filled	10 posts filled by 30 June 2012	
	Develop Workplace Skills Plan	Council-approved WSP	30 June 2012	

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY
Efficient Revenue enhancement	Review of indigent register	Council approved indigent register	30 March 2012	Financial Services
	Update the Valuation roll	Council approved supplementary valuation roll	30 March 2012	Financial Services
	Review & implement credit control & debt collection policy.	% Reduction of outstanding debt		Financial Services
Resonance Supply chain management	Advertisement of suppliers data base registration	Advertisement & Updated supplier database	30 March 2012	Financial Services
	Timeous completion and submission of procurement work plans	Submission of completed work plan to Council	31 September 2011	All Departments
	Invoices paid on time	Reconciled monthly analysis report		Financial Services
Efficient Budget management	Ensure alignment between budget, IDP objectives, SDBIP	Submission of quarterly progress reports on the SDBIP within 28 days from end of each quarter.	4 reports submitted by 30 June 2012	Financial Services
Sound Financial accounting & reporting	Compliance with MFMA requirements.	Sec 71 monthly reporting to the Mayor, NT and PT	12 reports by 30 June 2012	Financial Services
	Compliance with MFMA & MSA requirements.	Preparation and submission of Internal audit reports per the approved audit plan to the Audit Committee	4 reports submitted by 30 June 2012	Financial Services

KPA 6: SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY
Ensure the sustainability and protection of the Municipality's Natural Resources	Prepare Strategic Environmental Assessment (SEA) and incorporate into municipal planning initiatives	A council Approved SEA	31 March 2012	Planning , Dev & Tech
To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof	Review the Spatial Development Framework (SDF)	A council-approved reviewed SDF	30 June 2012	Planning , Dev & Tech
To ensure the provision of sustainable, affordable and suitably-located development	Finalize and implement Big 5 False Bay LUMS	Council Adopted Nodal and Draft Rural Schemes	30 June 2012	Planning , Dev & Tech

KPA7. SOCIAL DEVELOPMENT

STRATEGIC OBJECTIVES	PLANNED ACTIVITY	PERFORMANCE INDICATOR	PERFORMANCE TARGET	RESPONSIBILITY
To ensure social cohesion through the protection of the vulnerable; facilitation of special programmes for the children, youth, women and the aged	Develop an integrated Social Cohesion Plan	Council-approved plan	30 March 2012	Corporate Services
	Participate in a District-wide disability forum	Number of forum meetings	4 meetings by 30 June 2012	
	Staging of Mayoral Games	Report of the number of sporting codes that participated, and the number of participants selected to the District-wide teams for KWANALOGA	30 November 2011	Corporate Services
	Development of a disaster management plan	Council-approved disaster management plan	30 June 2012	Corporate Services
	Conduct disaster management awareness	Number of awareness programmes	2 programmes by 30 June 2012	
	Attend to & participate in District-wide Aids Council	Number of meetings	4 meetings by 30 June 2012	Corporate Services
	Conduct awareness of HIV & AIDS	Number of awareness programmes	2 programmes by 30 June 2012	Corporate Services

THE BIG 5 FALSE BAY MUNICIPALITY (2011/2012 IDP REVIEW)

6. SDBIP (SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN)

THE BIG 5 FALSE BAY MUNICIPALITY Draft Service Delivery and Budget Implementation Plan														
Period: 2011/2012														
Interventions	Key Performance Indicator	Performance Target and Timeline	Responsibility	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
KPA 1: GOOD GOVERNANCE, PUBLIC PARTICIPATION AND WARD SYSTEMS														
Develop a new IDP (2012/13).	Draft IDP submitted to KZN-COGTA	30-Mar-12	Office of the MM						50%		100%			
	Council approved IDP	30-Jun-12	Corporate & Community										100%	
	Council approved 2012/13 IDP process Plan	30-Aug-11	Corporate & Community services				100%							
Review an anti corruption strategy	Council approved anti-corruption strategy	31-Oct-11	Corporate & Community				100%							
Induction of new council ward committees.	Number of induction workshop/meetings	5 meetings by 30 August 2011	Corporate & Community services				5							
Staging of IDP-RF meetings	Staging of IDP-RF meetings	4 meetings by 30 June 2012	Corporate & Community				1		1		1		1	
Staging of IDP/Budget consultative meetings	Number of meetings	4 meetings by May 2012	Corporate & Community				1		1		1		1	
KPA 2: IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT														
Develop and Maintain an effective Project Management Unit to manage MIG function	Project progress Reports submitted to Council	10 monthly reports submitted by 30 June 2012	Planning, Dev & Technical services				2		2		2		2	
Develop a maintenance plan for the community facilities and municipal assets	Business Plan for the Development of a Maintenance Plan	A complete business plan by 31 August 2011	Planning, Dev & Technical services				100%							
Implement a maintenance plan for the community facilities and municipal assets	Quarterly progress reports submitted to the Council	4 reports by 30 June 2012	Planning, Dev & Technical services				1		1		1		1	
Upgrade 3 sports facilities	Quarterly reports on the upgrading of identified community facilities and infrastructure	4 reports by 30 June 2012	Planning, Dev & Technical				1		1		1		1	
Upgrade 3 crèches			Planning, Dev & Technical											
Upgrade 3 community halls			Planning, Dev & Technical											
Upgrade 3 km surfaced road			Planning, Dev & Technical											
Upgrade 3 km gravel road			Planning, Dev & Technical											
Development of a Municipal Integrated Waste Management plan	Council-approved MIWMP	30-Jun-12	Planning, Dev & Technical services				25%		25%		25%		25%	
Enter into Service Level Agreements with respective service providers in the municipal area	2 Letters of intent and Response from Service Providers. (ESKOM & DC27) & signed SLA's where possible.	30-Jan-12	Planning, Dev & Technical services								2			
Review the housing development plan	Council adopted housing plan	30-Jun-12	Planning, Dev & Technical					50%				100%		

THE BIG 5 FALSE BAY MUNICIPALITY (2011/2012 IDP REVIEW)

Interventions	Key Performance Indicator	Performance Target and Timeline	Responsibility	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT														
Fill the vacant post of an LED Manager	Appointment of an LED Manager	01-Nov-11	Corpo & Com Serv						1					
Staging of LED Forum meetings	Number of meetings	4 meetings by 30 June 2012	Corp & Comm Serv				1		1		1		1	
Develop business plans for programs identified in the LED strategy	Number of business plans	3	Corpo & Comm Serv											
Creation of job opportunities through LED projects	Number of job created	100 jobs by 30 June 2012	Corpo & Comm Serv				25%		25%		25%		25%	
Creation of jobs through EPWP	Number of jobs created	100 jobs created by June 2012	Corpo & Com Serv				25%		25%		25%		25%	
KPA 4: TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Review of OPMS	Council-adopted reviewed OPMS	31-Jul-11	Office of the MM				100%							
Cascade performance management to staff below senior management	Council- approved	30-Jun-12	Office of the MM										100%	
Develop a recruitment policy	Council-approved recruitment policy	30-Nov-11	Corp & Comm Services						100%					
Develop a retention strategy	Council-approved retention strategy	30-Nov-11	Corp & Comm Services						100%					
Filling of key posts	Number of posts filled	30-Jun-12	Corp & Comm Services											
Number of posts filled	Council-approved WSP	30-Jun-12	Corp & Comm Services											
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT														
Review of indigent register	Council approved indigent register	30-Mar-12	Financial Services								100%			
Update the Valuation roll	Council approved supplementary valuation roll	30-Dec-11	Financial Services						100%					
Review & implement credit control & debt collection policy.	% Reduction of outstanding debt	80% by 30 June 2012	Financial Services				80%		80%		80%		80%	
Advertisement of suppliers data base registration	Advertisement & Updated supplier database	30-Mar-12	Financial Services								1			
Timeous completion and submission of procurement work plans	Submission of completed work plan to Council		Financial Services											
Invoices paid on time	Reconciled monthly analysis report		Financial Services											
Ensure alignment between budget, IDP objectives, SDBIP	Submission of quarterly progress reports on the SDBIP within 28 days from end of each quarter.	4 reports submitted by 30 June 2012	Financial Services				1		1		1		1	
Compliance with MFMA requirements.	Sec 71 monthly reporting to the Mayor, NT and PT	12 reports by 30 June 2012	Financial Services				3		3		3		3	
Compliance with MFMA & MSA requirements.	Preparation and submission of Internal audit reports per the approved audit plan to the Audit Committee	4 reports submitted by 30 June 2012	Financial Services				1		1		1		1	

Interventions	Key Performance Indicator	Performance Target and Timeline	Responsibility	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
KPA 6: SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT														
Prepare Strategic Environmental Assessment (SEA) and incorporate into municipal planning initiatives	A council Approved SEA	31-Mar-12	Planning, Dev & Technical services											
Review the Spatial Development Framework (SDF)	A council-approved reviewed SDF	30-Jun-12	Planning, Dev & Technical services				50		75%		100%			
Finalize and implement Big 5 False Bay LUMS	Council Adopted Nodal and Draft Rural Schemes	30-Jun-12	Planning, Dev & Technical services				25%		25%		25%		25%	
KPA7. SOCIAL DEVELOPMENT														
Develop an integrated Social Cohesion Plan	Council-approved plan	30-Mar-12	Corporate & Community Services						50%				50%	
Participate in a District-wide disability forum	Number of forum meetings	4 meetings by 30 June 2012	Corporate & Community Services				1		1		1		1	
Staging of Mayoral Games	Report of the number of sporting codes that participated, and the number of participants selected to the District-wide teams for KWANALOGA	30-Nov-11	Corporate & Community Services						1					
Development of a disaster management plan	Council-approved disaster management plan	30-Jun-12	Corporate & Community Services				25%		25%		25%		25%	
Conduct disaster management awareness	Number of awareness programmes	2 programmes by 30 June 2012	Corporate & Community						1				1	
Attend to & participate in District-wide Aids Council	Number of meetings	4 meetings by 30 June 2012	Corporate & Community Services				1		1		1		1	
Conduct awareness of HIV & AIDS	Number of awareness programmes	2 programmes by 30 June 2012	Corporate & Community Services						1				1	